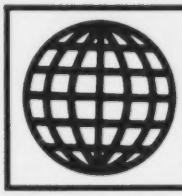

Daily Report

Latin America

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FBIS-LAT-90-117 *18 June 1990*

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Central American Presidential Summit Begins

Cristiani Arrives, Makes Statement

PA1506224990 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 15 Jun 90

[Text] Salvadoran President Alfredo Cristiani arrived at La Aurora Military Airport in Guatemala City this morning. In response to questions by the media, President Cristiani said that the current Central American presidential summit is a good opportunity to revitalize the region through the reincorporation of new mechanisms that will reinforce the old mechanisms that have been used in previous summits. As for politics, Cristiani said that this seventh summit, which is basically an economic summit, will be an expansion of what was agreed upon at the Montelimar summit.

In addition, Cristiani said that the presence of the new area presidents—referring to Nicaraguan President Violeta Chamorro, Honduran President Rafael Callejas, and Costa Rican President Rafael Angel Calderon—by no means endangers the summit talks. Similarly, Cristiani confirmed that the talks between the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] will be resumed in Mexico on Tuesday, 19 June.

[Begin recording] [Cristiani] We are going to begin a new phase. Obviously this does not mean that we have concluded the first phase for which the Esquipulas agreement was devised. This means that at this stage the Central American presidents are ready to seek ways to improve our social and economic problems. We believe this summit is a good opportunity to do that.

[Reporter] What is the most important issue that El Salvador will discuss at the summit?

[Cristiani] The central issue will be Central American integration. We will seek new mechanisms to achieve this goal. We will improve the mechanisms we have used in the past. We will try to find ways to bring economic progress and social development to our region.

[Reporter] Which political issues will be discussed during the summit?

[Cristiani] We have to follow up on the pending points of the Montelimar Agreement. We have to discuss a few pending points and check on the progress that has been made. [Words indistinct].

[Reporter] [Question indistinct]?

[Cristiani] Not at all. I was the first to break that situation, and there were no problems. The other presidents have expressed their support for the peace plan and are willing to continue to abide by it.

[Reporter] President Cristiani, in which way would the [words indistinct] affect this summit [words indistinct] El Salvador as far as economic and social issues are concerned?

[Cristiani] We intend to seek mechanisms of common development for the region. We obviously expect these mechanisms to work not only for El Salvador, but for all of the region's countries. Insofar as we all cooperate with each other, the possibilities for economic development and social progress in the region will increase.

[Reporter] When will the dialogue between your government and the FMLN resume?

[Cristiani] The dialogue is scheduled to resume in Mexico next Tuesday, 19 June. [end recording]

President Cristiani, who was the second president to arrive in Guatemala City after his Panamanian counterpart Guillermo Endara, was welcomed by Guatemalan President Vinicio Cerezo. Cerezo and Cristiani also reviewed the troops at La Aurora Military Airport.

Subsequently, the Salvadoran president traveled to the city of Antigua, the venue of the seventh Central American summit. The summit will be officially inaugurated tomorrow, 16 June.

Cristiani is accompanied by his wife and by Defense Minister Rafael Humberto Larios and Presidency Secretary Hugo Tona.

Panamanian President Endara, who arrived in Guatemala City a few minutes before President Cristiani, said that his country has more to receive than to give in this seventh Central American summit. Panama is attending this summit as an observer for the first time. Endara said that this summit has caused great expectation in Panama, which has not yet recovered from the damage and destruction inflicted by the U.S. intervention almost six months ago. Guillermo Endara stressed that this presidential summit strengthens the unity of Central America, of which Panama considers itself a member.

The remaining Central American presidents are expected to arrive sometime today. They will also arrive at La Aurora Military Airport, where they will be welcomed by President Cerezo, his Cabinet, and military authorities.

Callejas on Economic Problems

PA1606030790 Mexico City NOTIMEX in Spanish 0136 GMT 16 Jun 90

[Text] Antigua, Guatemala, 15 Jun (NOTIMEX)—Honduran President Rafael Leonardo Callejas said today that Central America has lived through 10 years of violence after which "peace can be foreseen" and the future is promising with the contribution of regional integration.

In a news conference upon his arrival in Antigua, Callejas said that his country agrees with a debate for Central American integration, which will be introduced tomorrow on the first day of the eighth Central American summit.

Callejas pointed out that the decade of violence resulted in "deep wounds and displaced and separated families," as well as serious economic problems that must be resolved shortly.

He said that Central America must come up with a new integration formula based on access to world markets.

He also said that he was recently visited by FMLN [Farabundo Marti National Liberation Front] representatives, who mentioned to him the need to support a negotiated solution in El Salvador.

Concerning the reduction in size of Central American armies, he said that the Army of his country is the area's smallest and the one with the most markedly defensive nature.

He maintained, however, that Honduras is willing to reconsider the Armed Forces' role in a demilitarization process in the area, in which it will also be necessary to change the troops' mission.

He argued that disarming and even reducing the size of the Army "is not an easy task, because there are very serious armed confrontations" in El Salvador and Guatemala.

Callejas said that in his country there are no U.S. military bases but that U.S. forces perform exercises with Honduran troops.

Concerning the regional military aspect, he added that "the presence of foreign troops is no longer the basic problem. There are no contras in Honduras anymore."

The Honduran president arrived in Antigua to attend tomorrow's Central American meeting in which area presidents will participate.

Calderon on U.S. Economic Aid

PA1606043190 Panama City ACAN in Spanish 0203 GMT 16 Jun 90

[Text] Antigua (Guatemala), 15 Jun (ACAN-EFE)—Upon arrival at this colonial city, Costa Rican President Rafael Angel Calderon said that Central America needs U.S. economic aid and that the summit that begins today in Guatemala must help unite the area.

According to Calderon, unity is essential to appeal, as a bloc, to the EEC and the Inter-American Development Bank, which "want to help if specific requests are presented."

During an impromptu news conference, Calderon said that there are relations of great respect and mutual interest among all the Central American presidents, because "we are all struggling for the economic development of the region."

"We are not talking about a tense summit during which there is a confrontation among divergent projects. We are talking about a summit where the type of solidarity that allows us to understand that we cannot remain isolated, that we cannot struggle alone, and that we must discuss the economic problem in a joint manner, exists," Calderon said.

According to Calderon, U.S. Secretary of State James Baker, who will meet with the presidents of the region on 18 June, will suggest that the countries of the area unite to request the international cooperation that is needed for their development "instead of seeking bilateral aid."

Baker will present to the presidents of the region a proposal that includes the creation of a single fund for developed countries to offer help to Central America, Calderon added.

Calderon is in favor of bilateral negotiation of the foreign debt of the region. His position is different from that of the other countries, which promote the creation of a Central American "bloc." Calderon added that his country has overcome its debt problem with the "very important" help of the developed world.

The Central American summit will be officially inaugurated on 16 June at 0900 (1300 GMT) with a speech by Guatemalan President Vinicio Cerezo, who is hosting the summit.

Chamorro on Disarmament

PA1606043890 Panama City ACAN in Spanish 0228 GMT 16 Jun 90

[Text] Antigua (Guatemala), 15 Jun (ACAN-EFE)—Nicaraguan President Violeta Chamorro said today she advocates disarmament in all the Central American countries. She said this in a statement upon her arrival in Antigua, Guatemala, the city where she will participate in the Central American summit scheduled to begin tomorrow.

"I would like all the countries to disarm themselves as we are doing and as Costa Rica did," Chamorro said in a news conference shortly after she announced in Managua a 41-percent reduction of the Nicaraguan Army.

Other presidents, including Honduran President Rafael Callejas and Salvadoran President Alfredo Cristiani, have also reviewed the possibility of a reduction in their military forces, but they have rejected the idea of a Central America devoid of armies, like Costa Rica.

Chamorro stated that her government will help the Nicaraguan military affected by the reduction "in the same way that we have helped in the contras' demobilization."

The Nicaraguan president, who was the last leader to arrive in Antigua, insisted that she wants to provisionally keep Sandinist General Humberto Ortega as head of the Armed Forces in her country.

"He will leave when I decide it; he will stay as long as I want him," she emphasized when asked about the possible date for Ortega's replacement in the Army—a request made by most of the parties that support the Chamorro government.

Antonio Lacayo, minister of the Presidency and Chamorro's main adviser, said that the reduction of military forces announced today is "a first step" that will end in August and that will later lead to a "reorganization" of the Armed Forces and its commanders, which will imply a "second reduction."

Later in her statement Chamorro said that Nicaragua hopes to reach a situation like the one in Costa Rica, the only country in the area which does not have an army but only a police force—along with Panama, which banned the Armed Forces following the U.S. invasion in December.

Likewise, Nicaraguan Foreign Minister Enrique Dreyfus endorsed Central America's integration, which represents the main goal of the summit, and added that this must be achieved so that the region's exports may reach other markets.

Cerezo Opens Summit

PA1606163290 Panama City ACAN in Spanish 1552 GMT 16 Jun 90

[Text] Antigua Guatemala (Guatemala), 16 Dec (ACAN - EFE)—The economic summit meeting of the five Central American presidents, and the Panamanian president as observer, was inaugurated today in Antigua Guatemala by that country's President Vinicio Cerezo. The meeting began at 1550 GMT. It seeks to promote the area's economic development through the integration of the economies of the six countries and to review the peace negotiations that are taking place between the Salvadoran and Guatemalan Governments and guerrilla groups.

The meeting, which will conclude on Sunday, 17 June, is attended by President Cerezo, Costa Rican President Rafael Angel Calderon Fournier, Nicaraguan President Violeta Chamorro, Honduran President Rafael Leonardo Callejas, Salvadoran Alfredo Cristiani, and Panamanian President Guillermo Endara, who is attending as an observer.

Callejas Ill, Leaves Inauguration

PA1606172090 Panama City ACAN in Spanish 1638 GMT 16 Jun 90

[Text] Antigua (Guatemala), 16 Jun (ACAN-EFE)—Honduran President Rafael Callejas had to leave the presidential stand during the Central American summit's inaugural ceremony in Guatemala.

Callejas started to sweat when his country's anthem was being played. He could not avoid breaking diplomatic etiquette and used his handkerchief to dry his forehead. The Honduran president, feeling ill, had to excuse himself from host Guatemalan President Vinicio Cerezo when the Nicaraguan national anthem was being played, and he left the room.

He was helped by his bodyguard to a nearby bathroom and was attended by his personal physician at the hotel where the summit is to be held. The doctor gave him a tranquilizer.

Honduran delegation sources stated to ACAN-EFE that the president had slight indigestion and that he had had diarrhea the previous night.

Callejas rejoined the "summit's" innaguration ceremony a few minutes later. He was a bit pale but, according to his medical team, "in good condition."

Suffering From 'Food Poisoning'

PA1606212590 Panama City ACAN in Spanish 2048 GMT 16 Jun 90

[Text] Antigua (Guatemala), 16 Jun (ACAN-EFE)—Dr. Carlos Bolanos has said that Honduran President Rafael Callejas was treated today by an emergency room doctor at the Antigua National Hospital who ordered intravenous fluids to control "severe dehydration" caused by an intestinal problem.

Callejas, who had to temporarily leave the inauguration of the economic "summit" being held today in Antigua Guatemala, remained in his room most of the day and was unable to attend a formal event offered by the town council in honor of the Central American presidents.

Dr. Bolanos explained that the intravenous fluids were ordered because the president "has been vomiting and suffering from diarrhea since last night." The vomiting and diarrhea were caused by food poisoning.

The other presidents expressed concern for Callejas' health. President Callejas was visited in his room by summit host Vinicio Cerezo.

Honduran delegation sources did not say whether Callejas will be able to attend this afternoon's work sessions. The economic "summit" ends tomorrow.

Further on Summit Opening

PA1606182890 Guatemala Cadena de Emisoras Unidas in Spanish 1704 GMT 16 Jun 90

[Text] The Central American presidents' summit has opened one hour behind schedule at a luxury hotel in Antigua de Guatemala. Prior to the inauguration ceremony, the presidents met in private to go over the procedures for the talks that are supposed to end at approximately 1800 tomorrow, Sunday. While the national anthems of the Central American countries were being played, Honduran President Rafael Leonardo Callejas became ill and had to leave through one of the emergency exits. A Nicaraguan doctor who was in the room as an observer immediately took care of the

president. As the ceremomy was about to conclude, a visibly pale Callejas returned. He apparently suffered from an affliction of the arteries, since at the beginning of the ceremony he looked weak and pale. He was helped by his Central American colleagues.

Guatemalan President Vinicio Cerezo Arevalo opened the Central American presidents' economic summit with a fiery speech. He stressed the urgent need to find ways to create a better living standard for the people of the area, who have been the victims of the violence and bloodshed of recent years. Here is an excerpt of the president's speech.

[Begin Cerezo recording] Dear friends from Central America and the world: The presidents' meeting has undoubtedly turned into an instrument to solve the area's problem. In this meeting place, we have put to the test our historical commitment to the Central American people, our capacity to negotiate, and our capacity to make concessions for the sake of attaining peace, political stability, and democracy in the region.

The presidents that have accompanied me at previous meetings and the presidents that are accompanying me now are not just getting started in the area's poltical life but, on the contrary, they have much experience. Throughout all these years, we have shared anguish and sorrow over all those killed in Central America. Most of all, we have shared hope and a firm commitment to find the adequate means to cope with and solve the very serious problems of the region. These problems stem from past intolerance, a lack of understanding, and a lack of commitment to promote the participation of the people in seeking and finding solutions that are in line with their own needs. [end recording]

You have just heard an excerpt of the speech given by President Vinicio Cerezo to inaugurate the Central American presidential summit in Antigua, Guatemala.

Prior to the inaugural ceremony, a message from Vatican State Secretary Monsignor Agustino Casaroli on behalf of Pope Paul II was read. The message called on the Central American presidents to take adequate steps toward ending hunger and suffering in Central America.

Also, Nicaragua President Violeta Barrios de Chamorro is still suffering from breaking her right leg, and she is still using a walking stick.

We also want to report that U.S. Ambassador Thomas Strooks has just arrived at the hotel where the presidents are meeting. He has arrived to present to the presidents two proposals on solving the regional crisis. These proposals will be officially presented by U.S. Secretary James Baker, who will arrive in Antigua, Guatemala at approximately 2200 tomorrow.

The Central American presidents are currently holding a private meeting. Thus, they will only be accompanied by their foreign ministers and two advisers each.

Tight security continues to be implemented here at the presidential summit in Antigua, Guatemala.

Panama Invited To Join Integration

PA1606222990 Panama City ACAN in Spanish 2118 GMT 16 Jun 90

[Text] Antigua (Guatemala), 16 Jun (ACAN-EFE)— The final document of the Central American presidents' summit, which is still being analyzed, invites Panama—participating as an observer in the meeting—to "join the area's integration process."

The "Declaration of Antigua," which takes its name from the colonial Guatemalan city where the meeting is taking place, "recognizes Panama's importance in this summit" and reiterates the invitation to Panama to participate in the next regional integration meetings.

"We state our interest and that of our citizens that (Panama) become part of the Central American economic integration process and the other regional organizations," it is stated by the presidents in the document that they must sign upon concluding the summit tomorrow, Sunday.

The presidents also request, according to the document to which ACAN-EFE had access, that Panama "actively participate in the Central American dialogue, negotiation, and consultation processes."

Panamanian President Guillermo Endara, who declared upon his arrival in Antigua on Friday that "he increasingly feels like a Central American," said today after the first session of the summit that he will call for a "national dialogue" in his country to analyze and evaluate the integration issue.

"I cannot pledge my country to something which has not been discussed domestically. Once we discuss the issue there will be a true Panamanian voice, but I cannot speak for it at this time," Endara said.

Guillermo Endara emphasized: "We are basically observers."

Panama, historically a Bolivarian country, has an income per capita which is almost triple to that of Central America, a services economy, and a monetary system based on the dollar, all of which differentiate it from the rest of the countries in the area.

The leading Panamanian business associations have stated their reservations about the country's integration with Central America, and they have asked the government to act cautiously.

Calderon on Democracy, Development

PA1706025490 Mexico City NOTIMEX in Spanish 2334 GMT 16 Jun 90

[Report by Antonio Ortega]

[Text] Antigua, Guatemala, 16 Jun (NOTIMEX)—Costa Rican President Rafael Calderon said today that there can be no democracy with hunger" in Central America, so we must strive to achieve progress in the region's development. [quotation marks as published]

During a news conference the Costa Rican president said that the governments elected by the people's vote in Central America must show that they are capable of offering more social justice to their people.

Talking about the main topic in the Antigua summit, foreign cooperation, Calderon emphasized that no impositions or conditions should be accepted.

The president said that U.S. Secretary of State James Baker will visit Guatemala—on Monday 18 June—to explain the overall aid program of the group of 24 (developing countries).

Likewise, he revealed that the six presidents who have gathered in the Guatemalan city of Antigua will hold bilateral meetings with Baker, in addition to the joint meeting that will be held on 18 June.

The Costa Rican president said that while there are still political problems in the region, such as "the difficult situation in El Salvador" where the armed conflict still prevails, there are also some positive signs, such as the reduction of the Nicaraguan Army.

Calderon, who is attending his first Central American summit, said that one of his goals in the military sector is to guarantee that military expenses will at least not increase, so that resources may be used for development.

Referring to the regional integration, the president said that this is a good opportunity to achieve some progress on the issue, even though one still cannot talk about a model like the EEC model.

He said that the region must find out who is more efficient in the production of several products so as to avoid unloyal competition and increase the zone's exports.

Cerezo Delivers Speech

PA1706153290 Guatemala City Domestic Service in Spanish 0206 GMT 17 Jun 90

[Speech by Guatemalan President Vinicio Cerezo at the Central American presidential summit in Antigua, Guatemala on 16 June—recorded]

[Text] Dear friends from Central America and the world: The meeting of presidents has become an instrument of hope for the solution of regional problems. At this meeting place, we have tested our traditional pledges to the people of Central America. We have tested our negotiating capabilities and especially our ability to make concessions to achieve peace, political stability, and regional democracy.

The presidents who have been with me at previous meetings and the presidents who have joined me now are not just entering Central America's political life; they already have considerable experience. Throughout these years, they have shared their anguish and grief over all of the people killed in Central America. Most of all, we have shared our hopes and our firm resolve to find adequate ways to confront and resolve the very serious problems the region is experiencing. These problems stem from intolerance, misunderstanding, and our past inability to find adequate ways to promote the peoples' participation in the search for and discovery of solutions to their needs.

During these talks, we noticed with satisfaction that the effort to achieve peace through dialogue, to definitively reject war, and to gradually promote dialogue and the exchange of ideas to strengthen democracy was just right for the historical moment we were experiencing. We concluded that if war is an act of human cruelty, then poverty is an act of human neglect that we must confront. We will never consolidate the democracy and peace that we have attained, if we are incapable of meeting the basic needs of the masses who, at some point in time, have been used by various political groups to justify their own actions.

In Central America there has been social injustice and misunderstanding. Worst of all, in my opinion, there has been no political resolve to solve these problems through concerted effort, dialogue, and agreement. We have tried to solve problems—such as poverty, injustice, and political and social differences—by imposing one set of opinions over others and by eliminating our opponents. We have not tried to solve these problems through pluralism but through confrontation, death, and murder. This is beginning to form part of a history that we will not forget because we do not want to repeat it; we definitely do not want to relive it.

We must now take a new path; the path of economic development. This economic development should not take the wealth of the nature that God bequeathed us and simply distribute it among all of the inhabitants of a nation, because we would never solve the basic problem that way. We would not be able to continue our path in the future by increasing our population without growing in wealth, productivity, and the capacity to satisfy our peoples' basic needs.

It is a matter of confronting the problems of social injustice, poverty, and neglect. It is a matter of ending our neglect for certain social sectors with a new type of development that involves all of the political sectors. At the forefront of this develpoment should stand democratic political leaders who are aware that the tasks entrusted to them by the people when they were elected

was to lead groups of experts, private businessmen, small business owners, farmers, and workers. They must not allow anyone to fall behind, and they must not make economic development simply a conceptual model. It must be a great movement that will make Central America transcend the limits of its underdevelopment and traditional needs to become a fully developing region that will join the ranks of the nations which have adequately met their people's basic needs.

Today we meet with the intention of taking the first steps in the search for ways to launch the development process. We know that we will have to face many problems and that we have all had to make decisions, in our own nations, that have deeply hurt us because—even though the decisions are correct and even though they are aimed at correcting past mistakes—our people have had to pay the political costs. They should not have had to pay these costs if the political leaders in the past had adopted these decisions at the appropriate time. However, each of us has had the historical courage to adopt those decisions and to embark on the road to change an economy of privileges into a democratic economy, which includes the participation of the people. We strive for a pluralist economy in which each and every one of us finds a role to play and fulfills tasks that support the joint efforts of all those who inhabit the Central American nations.

We know that it is a difficult task and that we will have to find imaginative solutions to each and every one of the problems we are currently facing. We know that there are specific problems in each nation. We also know that we have common problems and these common problems will only be solved through the joint efforts of the Central Amercian nations. Taking into consideration our differences and specific problems, the success of the meeting and the success of the presidents' agreements will depend on solving our common problems. The Central American nations' joint efforts to solve common problems will result in the creation of adequate conditions for solving the specific problems in each of the Central American nations—and I wholeheartedly include Panama.

That is a basic issue. The presidents have clearly said in their talks—and we want to say it to all of you today—that Central America has faced historical problems and that Central Americans must be blamed for this, but the crises that have affected all the nations in the world are also to blame. We are aware that the basic task is our responsibility. We, the Central Americans, must exert the basic efforts, and we are willing to face the responsibility. We also issue an appeal to the world so that, contrary to the past, it may help our nations find solutions to our basic problems.

This meeting is a meeting of hope, and I can sincerely tell you that we have yet to adopt a decision. We know that we will find topics that must be thoroughly discussed. I have found that the Central American presidents are willing to talk extensively and use their imagination, because we know that in Antigua Guatemala—like in Esquipulas and then in all Central American countries—we are building the bridge that will deliver us from our suffering now and lead us to the utopia and hope of the future. Thank you. [applause]

Cerezo Reads Antigua Declaration

PA1806051790 Guatemala City Domestic Service in Spanish 0342 GMT 18 Jun 90

["Declaration of Antigua" signed by Presidents Vinicio Cerezo, Rafael Leonardo Callejas, Alfredo Cristiani, Violeta Barrios de Chamorro, and Rafael Angel Calderon of Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica, respectively, at the closing ceremony of the Central American presidential summit meeting in the city of Antigua Guatemala on 17 June; read by Guatemalan President Vinicio Cerezo—live]

[Text] Declaration of Antigua

Let everybody rise. Let everybody be called. Let us not leave one or two of our groups behind.

The presidents of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, and with the presence of the Panamanian president, who gathered in the city of Antigua Guatemala on 15, 16, and 17 June 1990, reiterate what we stated in the joint declarations issued at the conclusion of the meetings of Esquipulas I and Esquipulas II, in which we stated that we cannot attain peace without development.

We have made an effort toward regional understanding. We have given the best of ourselves to build a peaceful and democratic Central America. Now it is our duty to move toward a developed Central America, one that is able to take care of the basic needs of each of our citizens by itself. We believe that regional integration is a means to attain that development. We hope to build a Central America that relates to the rest of the world based on a respectful and fruitful regional interdependence.

Peace, which goes through the path of development first, demands that we face the future with hope, undertake our tasks of development with energy and imagination, and handle economic growth with a greater and fairer distribution of its benefits. Only this attitude will allow us to break our vicious circle of poverty and frustration. War and violence are acts of human cruelty, but poverty is an act of neglect that we must confront.

Violence is beginning to be part of a history that we will not forget, but that we must not repeat. We are beginning to travel along other paths now. For that reason, and because we have listened to the outcry of our people, we have asserted that we do not want any more violence and war. Instead, we want to invest that energy in the development of the Central American people.

We reiterate that there are Central American paths leading to peace and development. We are willing to

travel along those paths with our own strength, but the task would be easier with the generous support of the international community.

We want to jointly set the basic guidelines that will lead our development process and the region's economic integration. We want to make the necessary decisions and conduct the necessary actions to become responsible authors of our own development and efficient partners in our regional cooperation. To achieve that goal, our regional system must function in an efficient manner.

We must all participate in the creation of a Central American economic community. No one should stay behind. For that reason, we urge our private sectors; associations; cooperatives; labor, religious, cultural, and development organizations; the media; and our populations to join these efforts in a joint and creative manner within their fields of competence. In that way, we will move ahead with a widely shared conviction of the need of a united Central America and of the full participation of our populations in the efforts and benefits of regional development.

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, and with the presence of the Panamanian president, gathered in the city of Antigua Guatemala, colonial monument of America, on 15, 16, and 17 June 1990, reiterating the full validity of the Esquipulas agreements and the subsequent agreements, as well as their commitment to continue abiding by those agreements in order to consolidate the progress that has been made;

Pleased with the progress made in the fulfillment of the commitments made by the five Central American countries within the Esquipulas process;

Reasserting that the solution to development problems is first of all the responsibility of the Central American peoples and governments;

Aware of our commitment to consolidate peace and democracy in the area and to forge a better economic and social destiny for Central America, both individually and collectively;

Aware of the need for absolute respect for man's basic rights, which allows the full realization of the Central American people's human dignity within a framework of social justice and freedom;

Taking into account that 10 years of armed conflict and economic crisis have inflicted significant human losses and reductions in productive capacity, thus seriously affecting Central American societies, hindering development, and worsening poverty;

Convinced that man is the leading force of development and that therefore most of our efforts should be oriented toward man's material and spiritual well-being and the protection of his basic human rights;

Convinced that regional peace and democracy can be seriously jeopardized if we fail to make significant and immediate progress in our struggle to achieve a system of economic and social justice;

Confirming our full support for constitutional governments that are threatened by the actions of rebel groups, which still exist in the region and which harm our development process;

Reiterating that peace and development go hand in hand;

In compliance with the commitments made in the Montelimar Declaration, which were made to face the serious social and economic situation of Central America;

To complement the progress made in the fields of peace and democracy;

Seeking the consolidation of the goals outlined in the Esquipulas process;

And urging the international community to support and complement our efforts;

Before our peoples and the international community, we agree to:

1. Reaffirm that the total and full respect of human rights is the fundamental basis of democratic systems, that free electoral processes are indispensable to democracy as they are the suitable expression of the people's will, and that it is necessary to strengthen, consolidate, and improve the legal, electoral, and other organizations and institutions of democratic governments. We call on the international community to give its support to programs furthering such purposes.

2. Agree that there is a need for the democratization and reconciliation agreements to be verified and pursued, in accordance with the procedures established at Esquipulas. Thus, we will instruct the Executive Commission to meet and establish an ad hoc group that is to study adequate measures and mechanisms to attain this goal. This group is to make use of organizations that specialize in these fields and that can recommend possible future actions to further our goal.

3. In the spirit of the Esquipulas II agreements and bearing in mind the Tela and San Isidro de Coronado agreements regarding the charges of border and cross-border armed actions presented by Nicaragua against Honduras at the International Court of Justice in The Hague on 28 July 1986, the presidents of Guatemala, El Salvador, and Costa Rica call on the Governments of Nicaragua and Honduras to form a commission to search for an out-of-court settlement with the hope that a prompt solution will be found.

4. To strengthen and extend the regional pacification process, we have agreed to instruct the Executive Commission to propose concrete mechanisms and actions

that are to be taken to reach peaceful solutions to conflicts that could arise between countries in the region.

5. The presidents of Guatemala, El Salvador, Honduras, and Costa Rica are pleased and enthusiastic over the presence of the lady President of Nicaragua Violeta Barrios de Chamorro at the eighth presidential summit. Her presence stimulates our efforts to continue on the road that leads to the consolidation of peace, democracy, and economic and social development in our region. We give her our total support and recognition in the task of realizing Nicaragua's recuperation. She has already made important advances with the demobilization of the Nicaraguan Resistance and by setting a schedule for the substantial reduction of the Nicaraguan Armed Forces. All these actions agree with the spirit of the Esquipulas agreements.

6. Likewise, the presidents of El Salvador, Guatemala, Honduras, and Nicaragua congratulate Costa Rican President Rafael Angel Calderon Fournier for his first participation at this summit and give him a warm welcome. We are sure that his efforts will contribute to the strengthening and attainment of the goals and agreements we have reached.

7. The presidents of Costa Rica, El Salvador, Guatemala, and Nicaragua also express their great satisfaction with and support of the policy upheld by the Honduran Government, headed by Rafael Leonardo Callejas. The policy established that Honduran territory was not to used by irregular forces, and the government gave its full cooperation and compliance to the joint plan to demobilize, repatriate, or voluntarily relocate Nicaraguan Resistance members and their relatives to Nicaragua or third countries. This plan was carried out under the auspices of the CIAV [International Commission of Support and Verification] and ONUCA [UN Observer Group in Central America].

8. Praise the initiative of President Marco Vinicio Cerezo Arevalo for the creation of the Environment and Development Central American Commission, and President Rafael Angel Calderon Fournier for the promotion of a new international ecological order.

9. Recognize the importance of Panama's presence at this summit and reaffirm our invitation that it actively participate in the dialogue, negotiation, and cooperation processes presently being carried out by the Central American governments. We also express our and our people's interest in getting Panama to join the Central American economic integration process and other regional organizations soon.

10. Give our firm support to the process of dialogue presently being held between the National Reconciliation Commission and the Guatemalan National Revolutionary Unity. This dialogue started in Oslo this year, and has been continued in Madrid.

11. Highlight that the Nicaraguan Government and the Nicaraguan Resistance implemented the 4 May Managua Declaration and its 30 May protocol with the voluntary disarmament of more than 14,900 rebels, according to ONUCA and CIAV reports. With this action, the demobilization process is practically finished, and this represents a great contribution to peace in Central America.

12. Recognize and thank ONUCA and CIAV for their contributions and efforts for the sake of Central American peace.

13. The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua, concerned over the persistence of the armed conflict in El Salvador, reaffirm their full support to the efforts of President Alfredo Cristiani and his government in their determination to find a peaceful and democratic solution to the conflict.

In this regard, they are pleased by the progress achieved in the dialogue resumed by the Salvadoran Government with the FMLN [Farabundo Marti National Liberation Front] under the auspices of OAS Secretary General Dr. Javier Perez de Cuellar and are hopeful that it will as soon as possible manage to put an end to the armed confrontation and that a definitive peace will be reestablished in that fraternal country.

They also reiterate their call on the FMLN to immediately end any kind of violent action that directly or indirectly affects the civilian population, and urge its members to take advantage of the joint demobilization plan approved in Tela, Honduras.

14. Express pleasure over the reduction of tension worldwide, and urge the major military powers to channel financial and technical resources freed by the disarmament process to cooperation programs for the economic and social development of the Central American isthmus.

15. Urgently continue negotiations in the areas of security, verification, control, and arms control in keeping with the Esquipulas II agreements to take advantage of resources and rechannel them toward the development of our peoples, and to this end, we will consider the technical advice of the OAS Secretariat General, UN Secretariat General, and other specialized organizations.

To continue negotiations, the deputy foreign ministers and other delegates who comprise the security commission will meet in San Jose, Costa Rica on 31 July this year.

16. Call on the international community to support social and development programs for those individuals who decide to reincorporate themselves into civilian life as a result of a possible reduction of military troops.

17. Express our recognition to the EEC for its special support to the Central American integration process at various forums, within the framework of the Luxembourg Accord, and urge it to continue the political

dialogue and increase economic cooperation for the sake of the region's economic and social development.

18. Note with satisfaction the recent EEC decision to support the extension of the special Economic Cooperation Plan for Central America, PEC, and endow it with additional resources. We also urge it to support projects that our countries will present within the framework of this mechanism.

19. Express profound pleasure over the positive results obtained at the Rome meeting, Stockholm II, that will help Nicaragua overcome the serious economic crisis that it is facing.

20. Call on the international community to give specific support to the implementation of proposals that will be submitted by the governments that will convene the first international meeting of the followup committee of the International Conference on Central American Refugees, which will be held at the UN Headquarters in New York on 27-28 June 1990.

21. Within the framework of the Regional Cooperation Agreement for the Eradication of Illegal Drug Trafficking, which was signed during the Montelimar summit, convene for 20-21 July in Managua a meeting of authorities responsible in this area to exchange information and plan and coordinate the implementation of decisions contained in that agreement.

22. Strengthen the Central American Groups, GRUCA, at the various international forums and conferences to unite positions and improve the region's negotiating capacity. Also to coordinate policies and the joint support for candidacies before international organizations.

23. Express satisfaction for the implementation—as of 1 May 1990—of the Central American Parliament constitutive treaty and other political organizations and their protocol. We express satisfaction over the elections that Honduras already held in regard to the formation of the Central American Parliament and urge the international community to support the process of formation of the Central American Parliament.

24. Promote Central America's sustained development through a joint strategy oriented abroad and through the creation of mechanisms of consultation and coordination to strengthen the participation of our economies in international trade.

25. Reiterate our governments' full political resolve to face the challenges of development through their individual efforts and those of the society as a whole and also by revitalizing our economies to defeat poverty within a framework of effective economic democracy.

26. Reorganize, strengthen, and revitalize the process of Central American integration and the Central American regional organizations by adapting or reorganizing their institutional and legal framework to increase their activities and facilitate their readaptation to the new strategies of foreign openings and productive modernization of the Central American countries, thus hoping to form and consolidate the Central American economic community.

27. Promote the transformation of productive structures through specific national and regional activities and by combining short, medium, and long-term policies.

28. Create mechanisms of individual and regional support for the actions taken by the Central American nations in regard to the renegotiation of their corresponding foreign debts. We once again urge the international community to contribute to our efforts to alleviate the foreign debt burden and to release the financial resources necessary for our region's development.

29. Recognize the importance that the international development banks and specifically the Inter-American Development Bank [IDB] and the Central American Bank of Economic Integration [BCIE] have for Central America's social and economic development. Thus, it would be desirable to have the active participation of both institutions in the financing of important Central American projects and in the attainment of the goals and objectives included in this declaration. We invite the IDB and the BCIE to promote co-financing operations to complement specific projects financed by them among the countries that are friends of Central America. Similarly, we urge the friends of Central America to respond to individual requests made by the Central American nations or to establish overall cofinancing funds for the region as a whole.

30. Promote a national and regional process leading us to accelerate the reconstruction and transformation of the productive and technological structures of the Central American countries as a basis for an efficient and dynamic return to the world market, which would contribute to our people's social well-being.

31. Give priority to the establishment of Central American mechanisms for the protection of regional economic systems and to support national efforts to protect nonrenewable resources such as soil, wood, and water. We reiterate our support for the work conducted by the Central American Commission for the Environment and Development and urge the international community to support the efforts made by the said organization in the field of environmental protection.

32. Coordinate policies for the effective participation of the agricultural sector in social and economic development by promoting programs that guarantee food supplies, self-sufficiency in supplying staple items, price stability, and free trade in Central America.

33. Promote educational and technological and scientific research policies, programs, and projects, since education is universally considered as a basic value for the individual's overall development and for the social, economic, political, and cultural progress of our peoples.

34. Study the various foreign cooperation mechanisms as well as other initiatives, especially the one included in the report issued by the International Commission for Central American Recovery and Development known as the Samford Commission, and coordinate and improve foreign cooperation in terms of the region's needs.

35. Review and modernize the public sector through austere and efficient means so as to achieve a more efficient and agile government, both to promote the activities in the economic sector as well as to provide the proper services to the population. The productive sector has been called upon to play the leading role in the transformation of our economies and in the development of the regional integration process.

36. Promote the development of the region's human resources. Firmly convinced that peace cannot be separated from social justice and knowing that as long as there is hunger and poverty democracy cannot be fully consolidated in Central America, we promise to promote development, which is the new name for peace. The best guarantee for peaceful and productive coexistence lies in the improvement of health, protection for children, and promotion of the moral, academic, and technical education of the Central American peoples. This means that we must not only improve services but also guarantee that all Central Americans will have access to them.

37. Reaffirm the fundamental nature of the Central American summit as the highest mechanism for making decisions and coordinating agreements as well as for adopting measures listed in this declaration, according to the Esquipulas II procedures to establish firm and lasting peace in Central America. In addition to the mechanisms already established in the above procedure, we have created the economic and financial commission as a means to coordinate and to follow up on the Economic Action Plan for Central America [PAECA]. The commission will be composed of the ministers of the respective economic cabinet so that the economic agreements included in this presidential declaration are fulfilled.

38. Implement the PAECA for the fulfillment of the agreements that have been signed in matters of economic and social development, which is an integral part of the present declaration.

39. The presidents agree to meet again during the last quarter of 1990 in the Republic of Costa Rica.

40. We thank the people and Government of Guatemala, the country where the Central American presidents met for the first time in the framework of Esquipulas, for their kindness, which contributed to the creation of an atmosphere of brotherhood that promoted this new stage in the regional peace process.

Antigua, Guatemala 17 June 1990

Cerezo Reads Economic Action Plan

PA1806070890 Guatemala City Domestic Service in Spanish 0409 GMT 18 Jun 90

["Economic Action Plan for Central America" signed by Presidents Vinicio Cerezo, Rafael Leonardo Callejas, Alfredo Cristiani, Violeta Barrios de Chamorro, and Rafael Angel Calderon of Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica, respectively, at the closing ceremony of the Central American presidential summit meeting in the City of Antigua Guatemala on 17 June; read by Guatemalan President Vinicio Cerezo —live]

[Text] Economic Action Plan for Central America, PAECA.

[Chapter One]: New Juridical and Operational Framework for the Region

1. Start as soon as possible an analysis and study of juridical and institutional instruments pertaining to integration to establish a new juridical and operational framework for it. We instruct ministers responsible for regional integration and development to start the process as soon as possible.

2. Make effective the commitments to establish a regional payments system assumed in the financial agreement between EEC and Central American countries, and also the commitments in the annex entitled: Program for the Dismantling of Obstacles Against Intra-Central American Trade.

3. As for tariffs, instruct ministers responsible for regional integration and development to submit to their respective colleagues, within a period no longer than three months beginning on this date, a program and its corresponding time tables for the tariff levels that will be established.

[Chapter] Two: Infrastruture Program and Trade Integration

2.4 [Number as heard] Promote a program of construction and reconstruction of the physical infrastructure to offer full support to the projects of Central American corridors in the areas of transportation, communcations, customs, ports, and the generation and transmission of electricity aimed at integral development at home and abroad.

Instruct the ministers responsible for the respective sectors to draft an inventory of projects leading to the formulation of a program complying with the planned objectives within a period of six months.

5. Instruct the proper authorities to coordinate and promote measures facilitating Central American transportation of people and merchandise, thus simplifying customs and immigration requirements.

6. Reiterate the order to ministers responsible for economic integration and regional development to comply

with the agreed upon deadlines within the program to remove obstacles on intra-Central American trade pertaining to the negotiation to multilateralize the intrarregional trade agreements.

Chapter Three: Regional Coordination for the Promotion of Foreign Trade

Design a selective program to efficiently coordinate a foreign service with Central American representation in the area of foreign trade, promotion of foreign trade, tourism, and multilateral negotiations of interest to the region.

To this end, the presidents instruct our respective ministers of foreign relations and economy, those in charge of foreign trade, or organizations responsible for tourism to internally draft a proposal that should be made known to the ministers responsible for regional integration and development within a period no longer than three months beginning on this date.

8. [number as heard] Instruct economy ministers to coordinate actions leading to:

a. Analyze the process of incorporation and participation in GATT. The ongoing negotiations to enter GATT must take into account the negotiated conditions of Central American countries that are already members of this organization to prevent treatment that would distort the competitive positions of the same.

b. Make the necessary efforts to broaden and make permanent the non-reciprocal (?concessions) in specific markets by obtaining an expansion of the Caribbean Basin Initiative, a collective treatment similar to that granted to beneficiary countries of the Lome Convention, and better participation and favorable treatment in America, Europe, and Asia markets.

[Chapter] Four: Active Participation of Social Sectors

Instruct the ministers responsible for regional integration and development to draft, within a three-month period, skillful and dynamic mechanisms leading to broad consultation and participation processes among the governments and the various social segments related to development so as to ensure that they play a key role in the region's decisionmaking that will reach the objectives that this economic summit seeks to achieve.

Chapter Five: Industrial Reconversion Policy

Instruct the ministers responsible for regional integration and development to promote a gradual and selective policy of industrial reconversion to improve the efficiency of productive activities and promote the complementariness of the countries, the conquest of new markets, and the competitive substitution of imports in the areas deemed appropriate.

Chapter Six: Economic Democratization of State Businesses

Support transformation processes of state productive businesses to promote economic democratization and a broader and efficient possession of productive goods.

Chapter Seven: Coordination of Agricultural Policies

Instruct the corresponding ministers to draft, within three months from today, a coordinated agricultural policy suited for this plan, especially in the areas of production and support services and technology, to bring about a fast recovery and expansion of traditional export goods and increase nontraditional ones, ensure greater regional food security, and secure supplies of industrial inputs, thus generating productive links.

Chapter Eight: Regional Policy in Science and Technology

Instruct ministers responsible for regional integration and development and the proper government authorities in the areas of science and technology to design, within a six-month period, a regional policy and program in science and technology so as to ensure maximum exploitation of the wealth of knowledge available in each of our nations and abroad to generate our own resources, and also draft regional projects by promoting technological innovations with selective criteria to integrate them into the new joint strategy in third markets.

With that objective in mind, the ministers responsible for regional integration and development, within an equal period of time, will take the steps leading to the redesigning of regional organizations having to do with scientific and technological education and research.

Chapter Nine: Coordination in Economic Adjustment Programs

Promote coordination programs pertaining to macroeconomic adjustment programs in each country and establish the bases for regional development, because they are necessary to promote an appropriate development of the countries and because of their direct benefits on the well-being of Central American peoples.

Chapter Ten: Social Programs To Compensate for Economic Adjustments

Instruct the responsible ministers to promote, within a three-month period, specific programs aimed at minimizing the short-term impact of economic adjustments on the most defenseless groups, and incorporate the poorest segments into the development process by giving them access to capital goods, technology, and training, especially those people linked to the unstructured [informal] business sector, minibusinesses, and other production groups. The drafting of rural development plans is an integral part of this instruction.

Chapter Eleven: Consultative Forum on Foreign Debt and International Financial Cooperation

Instruct finance or treasury ministers and central bank presidents to proceed, within a one-month period, to

establish a forum for Central American consultation and coordination in the area of foreign debt to find appropriate solutions to bilateral or multilateral debt.

Instruct the proper officials to make negotiations to expedite additional financial cooperation targeted at economic reconstruction, consolidation of democracy, peace, and productive transformation, with emphasis on joint regional action programs.

Antigua Guatemala, 17 June 1990

Closing Ceremony Postponed

PA1806024990 Hamburg DPA in Spanish 0129 GMT 18 Jun 90

[Text] Antigua, Guatemala, 17 June (DPA)—Tonight, Guatemalan President Vinicio Cerezo gave his Salvadoran colleague Alfredo Cristiani the report issued by Guatemalan officials on the investigation of the murder of Salvadoran Social Democratic leader Hector Oqueli Colindres. Cerezo gave Cristiani the report after the Central American presidential economic summit ended in Antigua Guatemala.

The report includes all the information that was gathered and which would be required in the trial of those responsible for Oqueli's death. Oqueli, who was a Socialist International leader, was murdered together with Guatemalan Social Democratic leader Gilda Flores in Guatemala City in January of this year.

With this information, Salvadoran officials will be able to establish the evidence to arrest those responsible for Oqueli's murder and bring them to trial.

Cerezo stated that officials from both countries should take joint legal action in this case. Cristiani, however, had previously stated that Guatemalan courts were to take action on this case as Oqueli had been murdered in that country.

The closing ceremony for the Central American presidential economic summit, scheduled for 1800 (0000 GMT), has been delayed for more than an hour. The diplomatic corps and international organization members are waiting for it to begin at the hotel where the summit was held.

SELA Secretary on Foreign Debt, Interest Cuts

PA1706230990 Madrid EFE in Spanish 2338 GMT 15 Jun 90

[Text] Caracas, 15 Jun (EFE)—Carlos Perez del Castillo, permanent secretary of the Latin American Economic System [SELA], said today that Latin America should cut down by 75 percent its annual transfers of money to creditor countries as foreign debt interest payments.

This proposal will be debated in Caracas next week by the ministers of economy and finance of the 26 SELA member countries, who on Monday will open a regional conference on foreign debt. In this meeting, Latin American and Caribbean countries will try to present a single stand regarding their creditors.

In an interview with EFE, Perez said that the Latin American and Caribbean governments agree on the proposal to cut down interest payment by 75 percent and will approve it unanimously.

SELA's proposal on the foreign debt includes specific procedures for negotiating with commercial banks, creditor governments, and international financial organizations, as well as a special treatment of the debt by Latin American countries.

Perez said that in the 1982-1989 period payments to foreign creditors amounted to $250 billion, but the debt increased by $100 billion in the same period of time.

In this regional conference, SELA will propose reducing the principal and interest rates by such amounts that payments will not exceed 25 percent of the current transfers for interest, Perez pointed out.

He added: This proposal includes negotiation points to be agreed upon with the various types of creditors. Once the criteria have been agreed upon, they would be applied in each country, taking into consideration the specific circumstances of each one.

He also pointed out that the proposal presented by SELA one year ago to cut the debt's principal by 50 percent was abandoned because the creditors turned it down and also for lack of a consensus among the debtor countries.

An important novelty proposed by SELA is the creation of a fund, made up of annual contributions of no more than one percent of the value of the reduced debt, to guarantee the debt's certificates for the new nominal value with long-term bonds with maturities of 20, 30, and 40 years, Perez added.

Perez pointed out that the SELA proposal provides for the possibility of offering additional guarantees for the payment of interest through mechanisms that would be created by the IMF through both a special issuance of drawing rights and the Inter-American Development Bank.

Regarding the Brady Plan, proposed by U.S. Treasury Secretary Nicholas Brady more than one and one-half years ago, and from which only Mexico and Costa Rica have benefited in their negotiations so far, Perez said that declaring its failure is too emphatic.

URNG on Participation in Constituent Assembly

PA1506235490 Guatemala City PRENSA LIBRE in Spanish 10 Jun 90 p 2

[Text] A CERIGUA dispatch datelined in Havana reports that the Guatemalan National Revolutionary Unity (URNG) will participate in a constituent assembly with their weapons.

The statement was attributed to Commander Pablo Monsanto, a member of the rebel leadership.

The dispatch added that, in an interview with the morning newspaper GRANMA, the guerrilla leader explained that the URNG will participate "as a political force, not as a political party."

Monsanto established that the constitutional reforms must change the counterinsurgent nature of the state, as well as the role of the Army, which is designed to repress the people.

Regarding the property system, the URNG "recognizes the right to own private property, not in absolute terms, but basically as a part of society." It also called for a review of the historial rights of Indians and the role of women, and demanded that the constitution recognize the interests of urban and rural workers.

The URNG commitment with the political parties not to carry out actions against the electoral process or sabotage acts during the political campaign does not include armed actions against the Guatemalan Army, Montanto said, emphasizing that there is no truce or cease-fire in our country.

Cuba

Reportage Discusses Radio, TV Marti

Jamming Unable To Be Observed

FL1506125590 Havana Radio Rebelde Network in Spanish 1211 GMT 15 Jun 90

[From the "Haciendo Radio" program]

[Text] In response to the disinformation campaign carried out in the United States concerning the supposed effectiveness of their television broadcasts to Cuba, the diplomatic corps and foreign press accredited in Havana were invited to tour areas in the capital and Havana, Pinar del Rio, and Matanzas Provinces in order to observe on the ground, at the very time of the broadcasts, the falseness of the assertions made in the United States.

In a maneuver that was no less cowardly for being expected, the U.S. Government did not carry out its usual transmissions from the aerostat in Cudjoe Key this morning. This would have allowed the diplomatic corps to corroborate the information from our authorities with regard to the effectiveness of the jamming systems designed and applied by Cuban technicians. The United States did not succeed in thwarting our demonstration. On the contrary; they corroborated the falseness of their allegations, choosing to withdraw before an imminent total disgrace [descaracterizacion] in front of the full diplomatic corps.

The activity's objective was to make official something all the foreign representatives residing in our capital know perfectly well: The so-called TV Marti has not succeeded in trampling our national sovereignty for even a single day. The United States left the field, retreated without giving battle, and this makes even more shameful their defeat on any occasion and before any audience. Cuba would be willing to repeat this morning's experience.

'Failure' of TV Marti Cited

FL1606185090 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Jun 90

[Station commentary]

[Text] A foreign diplomat who had traveled to Pinar del Rio to witness in situ whether the "television scribble" [tele garabato] was entering our country or not said yesterday: They lost by (?default). The Yankees chose not to broadcast to prevent the excrement from getting near the fan, because here everyone knows that the electronic monster has not succeeded in trampling on our sovereignty for a single day. The ill-named TV Marti, which is costing the American taxpayer millions of dollars, has become the greatest object of ridicule created by the Yankee technical experts in recent years.

And now, the AM—amplitude modulation—silence of its little brother, Radio Marti, which has degenerated into a politicking radio staion managed by the Miami counterrevolutionary community in very mixed conspiracies, has been added to the electronic barricade of our intelligence and talent. Yesterday the diplomatic and foreign press corps accredited to Cuba and who were invited to observe the failure of the television aggression—which at no time has been able to overcome the jamming by our dignity in spite of the Yankee strategem—verified that silence gives consent.

However, in Washington and Miami, and in Cudjoe Key and the White House, disregard for reality is considerable. There are none so blind as those who will not see. And there is too much money behind this project for the pragmatic U.S. businessmen to accept easily what affects their wallets. Everyone knows about this failure, but no one wants to acknowledge it. Meanwhile, they distort even the reports on the subject they submit to Congress.

The U.S. Interests Section in our country has now implemented a questionnaire for visa requests in which the requester is asked for details about TV Marti. Is reception good? Is reception bad? Can it be received at all? These are details that beg the model. At any cost, they are trying to obtain a glimpse, a light, that could justify the pipeline of dollars granted to the new aggression.

But in vain. Not even Pinocchio, a character from the universal stock of tales whose nose grew when he lied, would be capable of asserting what we all know here. The attempted electronic Platt Amendment is fetid, dirty bathwater, an omen or premonition of what could happen to them if they try anything bigger.

GRANMA Rejects U.S. Transmissions

PA1506172490 Havana International Service in Spanish 1400 GMT 15 Jun 90

[Text] The International Frequency Registration Board [Junta Internacional de Registro de Frecuencias] has reiterated its rejection of U.S. television transmissions aimed at Cuba, adding it is incompatibile with international law.

In its most recent note to the U.S. Government published in GRANMA today, the board said that the United States is operating in contravention of the Nairobi Accords signed in 1982.

The international organization asked Washington to promptly eliminate this harmful interference in Cuba, which has been rejected by the Cuban people and government.

According to GRANMA, the recent note from the International Frequency Registration Board is in response to the U.S. Government's official reaction, which tried to deny the organization's competence to state its opinion on the case.

GRANMA noted that the board sent a first note to Washington, which was replied to in disrespectul terms

by State Department spokesmen. However, in view of the organization's prestige and authority, the White House was compelled to send an official reply, which prompted the board's second note.

Airwaves War Called 'Playa Giron'

FL1506183190 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 90

[Text] The International Frequency Registration Board, in response to the United States' attempt to deny the board's authority in the case of the tele-aggression against Cuba through the misnomered Tele Marti, has reiterated that the station in Cudjoe Key, where the broadcasts originate, is operating in violation of the International Telecommunications Union agreement and against the regulations on radio communications.

The board's conclusion corroborates our country's reiterated warnings that the U.S. project is a flagrant violation of the documents regulating world telecommunications signed by more than 130 countries, including Cuba and the United States. One must stress that until the so-called airwaves war began between Washington and Havana, because of the tele-aggression, the United States was a staunch defender of the International Frequency Registration Board. It is important to remember that this type of organization was designed to protect the efficient use of frequencies, above all, in developed countries where the spectrum is saturated because of the large number of radio and television stations which, along with other services, operate in adjacent areas. That situation obviously does not exist in the Third World where, instead, there is a sharp deficit of radio and television stations.

Tele-Marti on Cuban television receivers is only a black stain without audio and its cousin, Radio Marti, has its share of silence in more than 70 municipalities throughout the country. Because of the determination of our technicians and other radio communications professionals, it will soon become a mute radio station. Gentlemen of the empire, as you can see, in this war of the airwaves we have given you another Playa Giron!

Minister on 'Disastrous' Failure

PA1606014590 Havana International Service in Spanish 0004 GMT 16 Jun 90

[Text] Cuban Communications Minister Manuel Castillo Rebasa has termed as disastrous the testing period of the anti-Cuban television channel which began its broadcasts from the United States 81 days ago. During a meeting with foreign diplomats and journalists early this morning, Castillo urged the U.S. Government to abandon the project, which represents a threat to the island's sovereignty and has been a failure. He emphasized that what occurred today, when the televised signal did not reach Cuba, has occurred on 17 previous occasions, while it has had irregularities on 11 different occasions.

Castillo explained the use of the word disastrous, stating that the Cuban jamming devices have neutralized the broadcasts in barely one minute, the time allowed for our technicians to carry out the necessary measurements in all the variants. The aforementioned has been ascertained in more than 100 monitoring points that are located in the Havana, Matanzas, and Pinar del Rio Provinces.

Referring to what occurred today, Friday, the Cuban communications minister commented that it may be the result of two causes: Either the aerostat transmitters had technical problems, or Washington did not feed the signal so that the journalists and diplomats could not ascertain the effectiveness of the Cuban jamming systems.

Caution Urged on U.S.-Mexican Free Trade Treaty

PA1506192990 Havana International Service in Spanish 0100 GMT 14 Jun 90

["Point of View" feature, read by Rodolfo Gonzalez Almaguer]

[Text] Living next to the United States is like sleeping with an elephant, and we have decided to sleep with the elephant. Although picturesque, the assertion is no less accurate. Reportedly, it was made by a high-ranking Mexican official while discussing this week's negotiations between Mexican President Carlos Salinas de Gortari and U.S. President George Bush.

Barely 48 hours ago, the two heads of state announced the intention to sign a free trade agreement, which is regarded as very beneficial by some analysts on both sides of the border but viewed with caution by opposition political groups as well as business and labor leaders in Mexico. These sectors feel that, despite the encouraging facade, this expeditious [expedito] trade treaty may entail an extremely high cost to Mexico because it does not preclude the possibility of mass dismissals, closings of businesses and even the loss of monetary sovereignty because the U.S. Federal Reserve would take over the functions of the Mexican central bank.

Other analysts emphatically bring out a second, strong objection: The specialists feel that the signing of the free trade treaty with the United States involves not only a commercial aspect but a strategic-military commitment of such an extreme nature that it would make Mexico and the United States geopolitical partners.

The official view is somewhat more optimistic. The Mexican state, which urgently needs markets and investment capital to stimulate its economy, feels that a free trade treaty with its northern neighbor would be a unique opportunity to rid itself of the crisis and even the heavy foreign debt. At any rate, to soothe those who worry about the future of Mexico's national sovereignty, the Mexican chief of state took advantage of the occasion to explain that the planned treaty with the United States would preclude the possibility of foreign investment in

the oil, basic petrochemical, electricity, and railroad areas and would not contemplate activities by military advisers in Mexican territory as part of the struggle against drug smuggling.

From what we can see, the signing of a free trade treaty between Mexico and its huge neighbor involves a decision that must be well thought out. It is absolutely necessary to carefully gauge the impact of the treaty and to find formulas to take advantage of its benefits, but at the same time avoid possible constraints.

Once more, the homeland of Benito Juarez must act wisely and bravely. It must never forget, though, that despite all the good omens, Mexico is still too far from God and dangerously close to the United States.

Commentary Reviews U.S. Cold War Againt Cuba

PA1706183690 Havana International Service in Spanish 0000 GMT 15 Jun 90

[Commentary by Pedro Martinez Pirez]

[Text] The U.S. Government finds it increasingly difficult to maintain its cold-war policy against Cuba. Many Latin American and European nations have indicated to President George Bush that the United States should change its hostile policy against the Cuban revolution and start a relationship based on respect for the sovereignty of the small Caribbean nation. Cuba has been the victim of Washington's harsh economic blockade for almost 30 years.

However, Bush—who inherited Ronald Reagan's policy of confrontation against the Cuban revolution—does not seem inclined to modify the United States' conduct. Quite the contrary, he resorts to new subterfuges in an attempt to justify Washington's aggressive behavior toward President Fidel Castro's government.

The essence of the United States' conduct toward Cuba is the failure of the United States to abide by a basic principle of the United Nations' Charter. Washington does not accept the sovereign equality between states, and it wants to impose conditions on what it considers weaker countries. The United States maintains one type of relationship with the Soviet Union, the PRC, Japan, and the FRG and quite a different one with Latin American and Third World nations.

There is the example of Panama, whose sovereignty was trampled on by the Yankee soldiers on 20 December. There is also Grenada, the small island which was invaded. There is the dramatic situation in Puerto Rico, which is now threatened by a total annexation after 92 years of colonial status.

These are the double standards of an arrogant goverment. It is the hypocrisy of a foreign policy that has its roots in the Monroe Doctrine. It is the conduct of a country that expanded its borders by stealing Mexico's territory and which intervened—over and over again throughout this century—in Haiti, the Dominican Republic, Cuba, Nicaragua, and other nations of America.

When the Soviet Union, Venezuela, and Spain made the suggestion that the United States and Cuba start a new era in their bilateral relationship, Washington reacted by exerting pressure on the OAS, cynically asking the Soviet Union to cut its cooperation with Cuba, while maintaining its illegal radio and television broadcasts and increasing its economic blockade against our country.

The dramatic thing about the United States' cold war against Cuba is that it is trying to justify this by promoting alleged goals of democracy and liberty for the Cuban people. It is the same argument it has always used, as if the international community—particularly in Latin America—is not aware of the falsehood of such arguments.

That is why it is increasingly difficult for the United States to maintain its policy of hostility and aggression towards Cuba. Latin America is tired of Washington's hypocrisy, and it is increasingly aware that a battle involving all the Latin American and Caribbean people is being waged in the struggle for Cuba's sovereignty.

Soviet Construction Cooperation Termed 'Fruitful'

FL1506122590 Havana Tele Rebelde Network in Spanish 1100 GMT 15 Jun 90

[Text] Cuban-Soviet cooperation in the construction sector has been maintained for 30 years and creates the possibility for new successes in future years.

(Alexandre Chernikov), deputy minister of the Ministry of Installation and Special Construction Work of the USSR, (Vostroy), described as fruitful and productive the talks held with the leaders of Cuba's Construction Ministry during his visit to this country. (Chernikov) expressed these views during a speech he made on behalf of a delegation representing his organization at the ceremony marking the 30th anniversary of Cuban-Soviet cooperation in the construction sector. The ceremony was held yesterday afternoon at the construction site of the third stage of expansion of the Antillana de Acero plant. Homero Crabb, Cuban Construction Minister; Ernesto Melendez, minister-president of the State Committee for Economic Cooperation; and Yuriy Petrov, Soviet ambassador to Cuba, were present at the event.

In regard to the Cuba-USSR cooperation agreement, which will be signed soon as a result of these talks, the Cuban construction minister said:

[Begin Crabb recording] Up to now, we have maintained the same basis in this discussion process under which we have cooperated with these Soviet construction organizations over all these years. We are working along the same lines, with the same principles, and, of course, we

are taking some new ideas into consideration, based on the current reality in our country and the Soviet Union. [end recording]

Students Withdrawn From East European Countries

AU1606064390 Bratislava NARODNA OBRODA in Slovak 9 Jun 90 p 6

[CTK report: "Homeward Bound Cubans"]

[Text] Havana—Cuba has decided to summon home all its students studying in East European countries at the end of this academic year. The Soviet Union is an exception. Dario Davila [spelling of name as published], head of the international department at Cuba's Ministry of Higher Education, informed representatives from the abovementioned countries' embassies of this decision in Havana on Thursday [7 June]. This decision involves 531 students. At the beginning of this academic year, 192 students were studying in Czechoslovakia. Most Cuban students study in the GDR—227. Davila stated that Cuba's decision is motivated, on the one hand, by the fact that Cuban universities have already achieved a standard that will make the acquisition of the necessary knowledge possible at home and, on the other hand, by political reasons. Cuban citizens who worked in enterprises in various East European countries are already returning home. They should end their contracts in Czechoslovakia, where there are more than 5,000 of them, by the end of this year.

Castro Meets With Workers on Father's Day

PA1806011590 Havana International Service in Spanish 0000 GMT 18 Jun 90

[Text] President Fidel Castro met with workers of the Genetic Engineering and Biotechnological Center during an activity that took place at this Havana institution today on the occasion of Father's Day, which is marked in Cuba on the third Sunday of June.

I see that this center is progressing and further improving, and no one can predict the benefits that it might contribute to the country and the world, the Cuban leader said.

Fidel Castro also pointed out that the work style of this institution was used as the basis for the work presently done by construction groups, which are revolutionizing the country thanks to the unselfish work and productivity of their members.

Castro added that this center enjoys worldwide prestige and elicits the admiration of all our visitors. He also said that its workers have accumulated many achievements in record time.

El Salvador

President Cristiani Rules Out Army Reduction

PA1506194990 Panama City ACAN in Spanish 1710 GMT 15 Jun 90

[Text] San Salvador, 15 Jun (ACAN-EFE)—Salvadoran President Alfredo Cristiani today ruled out a reduction of the Salvadoran Armed Forces while there is no agreement reached with the guerrillas to end the war.

The president held a news conference just before leaving for Antigua, Guatemala, where he will participate in the Central American presidential summit that begins today and ends Sunday, 17 June. Cristiani said that "we cannot begin a process" of demilitarization "as long as the war continues."

President Cristiani said that the proposal to be presented at the summit by his Nicaraguan colleague, President Violeta Chamorro, for the reduction of the Central American armies is nothing new, adding that this was one of the agreements signed at the previous presidential summit held in Montelimar, Nicaragua, in early April.

President Cristiani said that the military balance of the Central America armies, as part of the previous presidential agreements, includes its relationship with the democratic and pacification processes in the region.

He said: "Nicaragua can begin this process now because it already attained the disarmament and demobilization of the contras. Our case is different because the size of the Army is not a cause but rather an effect of the armed conflict."

Consequently, President Cristiani said that the reality of each country will have to be analyzed when proposing the reduction of the armies.

The reduction and purge of the Salvadoran Army, with approximately 60,000 men, is one of the topics of the negotiations between the Salvadoran Government and the Farabundo Marti National Liberation Front, FMLN, that are scheduled to resume on Tuesday, 19 June, in Mexico.

Meanwhile, Cristiani said that El Salvador is determined to reach a consensus with his Central American colleagues for an economic development that will permit an integration to surpass the integration efforts carried out in the early 1960's.

He stated that "there are examples—like the European ones—where the countries experienced a great integration awareness."

President Cristiani concluded: "We believe that we must not only seek points of agreement (in the economic field), but we must try to turn Central America into an area that will guarantee the free movement of people and merchandise while each country maintains its independence and sovereignty."

Cristiani Calls Future Session 'Key' Meeting

PA1706165590 San Salvador DIARIO LATINO in Spanish 15 Jun 90 p 1

[Text] President Alfredo Cristiani described the next round of dialogue between the government delegation and the guerrilla representatives as a "key" meeting for the continuity of the peace process in the country, since the purge of the Armed Forces will be discussed.

The dialogue will be held next week in Mexico, and it will be a decisive dialogue in the process of talks that began in 1982 and that have been held in several stages.

The government delegation is willing to discuss the purging of the Armed Forces as long as the guerrillas discuss this seriously and as long as it is part of the process to promote democracy in the country, Cristiani pointed out.

He insisted there will not be a purge of the Armed Forces as long as the FMLN [Farabundo Marti National Liberation Forces] continues with its offensive operations and as long as there is not a cease-fire. The government delegation has been maintaining this in the previous rounds of talks.

Cristiani was very clear when he said that not even the U.S. Government could exert pressure on his government to reduce the Army. Some opposition politicians have requested the Arena [Nationalist Republican Alliance] administration to reduce the Army.

According to the president, the government delegation is not only willing to discuss the issue of the Armed Forces, but also the improvement of the judiciary system and the dialogue-negotiations process.

Cristiani also said that his delegation does not have any time restrictions for the next meeting. It is willing to work until it reaches an understanding and agreements that will benefit the people. The president concluded by saying that he hopes the rebel delegation will have a similar stand.

Army's Colonel Vargas Discusses Purge

PA1506222690 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 15 Jun 90

[Report on interview with Colonel Mauricio Ernesto Vargas, commander of the 3d Military Zone and Armed Forces representative to the dialogue with the Farabundo Marti National Liberation Front, FMLN, by reporter Alexis Diaz during the "Opinions" program; place and date not given—recorded]

[Text] [Diaz] Colonel Mauricio Ernesto Vargas, commander of the 3d Military Zone and Armed Forces representative to the dialogue, has said that the Army is not opposed to a purge of its ranks. He said that the purge must be carried out in a realistic context and not be the result of a capricious position of a given group.

Col. Vargas, an adviser to the dialogue commission, was interviewed during this radio network's "Opinions" program. He said that the Armed Forces are not afraid of a purge, which has been demanded by several of the country's social sectors, including the FMLN. He said, though, that the purge must be construed as professionalizing, not dismantling the structure of the Armed Forces.

[Vargas] We are not afraid of a purge. What has to be clarified is what the FMLN consideres a purge and what we consider a purge. Let us first try to agree. In our society, purging means a daily cleansing or purification by persons, groups, or institutions to become better. If we individually seek to purify ourselves—you as a newsman, I as a military man, or someone else as a soccer player—we do so to have more technical know-how, to be better, and to excel.

If purging is understood to mean the modernization, evolution, or purification of a society, an individual, an organization or a group, we agree with it. Why not? Now, what measures are necessary to do so? [Words indistinct].

[Diaz] The FMLN and other political and social forces of the country are demanding a purge in the Armed Forces under a political agreement before a cease-fire because they feel that the military leadership is directly responsible for a series of violations of human rights, including the assassination of the Jesuit priests and [Democratic Revolutionary Front leader] Hector Oqueli Colindres. Col. Vargas described these assertions as propaganda, because, he pointed out, the accusations have been made, but no concrete evidence has been presented to competent authorities. He added that cases against the accused soldiers must be opened if evidence exists.

[Vargas] What has happened is that the FMLN and everyone else has used the term disparagingly, and no one wants to talk about a purge. However, if we understand the semantics of the concept, it has to be separated [as heard]. If it is not understood this way, I think we are in a bad situation. These people talk rhetorically and say that the officers have created problems, etcetera. However, what evidence do they have? Do you [words indistinct]...

[Diaz, interrupting] [Words indistinct].

[Vargas] On what basis?

[Diaz] No. That is why I am telling you that when an agreement is reached, and if the FMLN or persons who are saying that the soldiers commit abuses against the population...

[Vargas, interrupting] Well, let them identify the soldiers; otherwise this matter of abuses against the population is just talk. I am one of the soldiers mentioned by the FMLN. I am ready to be tried, but I want them to present evidence. Just because these gentlemen are saying that Col. Vargas is a murderer or a thief—or anything else you may read in their propaganda—does not mean I am truly a murderer [word indistinct]. I do not think this is right. I definitely think some seriousness is in order here.

I would like matters in the peace process to be looked at seriously and responsibly. We must set aside the positions that detract from the climate of the process and do what the people really want us to do.

[Diaz] The commander of the 3d Military Zone reasserted that the Armed Forces are subordinated to civilian authority, thus contradicting assertions by various forces in our society that claim the government is subordinated to Army decisions. Col. Vargas asserted that the Army adheres to the Constitution, which states that the Armed Forces must show obedience to civilian authorities, and said that the fact that they are participating in talks between the government and the guerrillas is proof of it.

National Debate Committee Requests Purge of Army

PA1706034190 Panama City ACAN in Spanish 2208 GMT 12 Jun 90

[Text] El Salvador, 12 Jun (ACAN-EFE)—The Permanent Committee for the National Debate (CPDN), comprised of approximately 60 Salvadoran civic organizations, has issued a document that will be presented to the government, the guerrillas, and the United Nations requesting a reduction and purge of the Armed Forces.

Among other things, the document also suggests an end to the soldier's "impunity," a purge of the Army, the extradition of officers involved in human rights violations, the dismantling of paramilitary groups, and the subjection of the military to civilian rule.

CPDN Coordinator Reverend Edgar Palacios believes a reorganization of the army is necessary because, he says, "Things cannot go on as they have in the past" within the Armed Forces if an agreement is reached between President Cristiani's government and the Farabundo Marti National Liberation Front (FMLN).

Another CPDN leader, Celina Monterrosa, said that the CPDN wants the government to "abolish the rights" enjoyed by the military so they can be brought to justice when they violate human rights.

The document will be presented to the government and the FMLN before 16 June, before the second round of peace talks. The date and place for the talks have not been announced.

The proposal will also be presented to UN special envoy Alvaro de Soto who arrived in El Salvador on 11 June and met today with several Salvadoran social groups at a hotel in San Salvador.

According to the CPDN, "we cannot advance towards democratization, respect for human rights, and better living conditions without a real demilitarization in El Salvador."

'Young Officers' Issue Communique on Jesuits

PA1606010190 San Salvador DIARIO LATINO in Spanish 12 Jun 90 p 2

[Text] The so-called "Command of Young Officers of the Armed Forces" has issued a communique—its fourth—demanding that the Army confine Colonel Mario Denis Moran, El Salvador's military attache at the Salvadoran Embassy in Guatemala, to national territory because Col. Moran could provide information to clear up the killing of Dr. Hector Oqueli Colindres.

The communique states: "We demand that the murder cases of the Jesuits and of Oqueli Colindres be resolved. We demand that Col. Denis Moran be immediately confined to our territory. The political murder of a member of the National Revolutionary Movement as well as Denis Moran's activities in Guatemala have already made him notorious there.

In the same communique, the Young Officers state their opposition to the creation of honor commissions in the Armed Forces because "its members follow orders from the High Command, and therefore crimes would never be solved."

The Young Officers charged that the arrest of Colonel Benavides and three other officers are part of a "plot," because at a professional level everybody knows that the testimonies of the accused are not valid. "Otherwise," the communique notes, "the honor commission would have never recommended the capture of Col. Benavides and of other officers who were merely following orders."

The Young Officers insisted that they will watch for the confinement of Col. Denis Moran. They urged brigade commanders, department commanders, and the intelligence and operational sections of the various brigades to exert pressure so that justice may prevail in the cases of the Jesuits and Oqueli, "if we really want to safeguard the institution."

The Young Officers demand the restructuring of the Armed Forces Social Security Institute because its "poor financial policies give room to waste, corruption, and injustice, and now it is denying its members loans to which they are entitled by law."

Finally, the Young Officers' communique urges all officers and commanders to think carefully "so that they are not fooled by the members of the 35th Armed Forces promotion class who are claiming that the Young Officers Command does not exist. For obvious reasons, we cannot identify ourselves and will act clandestinely until it is time to appear in the open." The Young Officers note that their organization is growing and gathering evidence that will serve "to punish those who are corrupt." Then the people will trust in the institution and there will be peace, the communique notes.

Zamora Urges Agreement at Government-FMLN Talks

PA1606165690 San Salvador TCS Television in Spanish 1215 GMT 15 Jun 90

[Report by Roberto Repreza]

[Text] Ruben Zamora, secretary general of the Popular Social Christian Movement, has said that since there is already an agenda and a schedule for the meeting that will take place next week between the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN], the next step is to tackle the essential matters and seek an agreement; otherwise, the progress that has been made thus far could be defeated. Zamora said that since the main objective of this process is to secure a cease-fire as soon as possible, it is most important to discuss at the upcoming meeting all the political aspects that may lead to the desired results.

[Begin Zamora recording] I believe that there will be room for important agreements at the meeting. One such agreement could be on election reforms. Agreements in this field could already be reached. I think they should be reached right away to open the election registry to all citizens. Another agreement that could be reached right away could be on judicial reforms. It would give the people some sense of security. A third and perhaps more important agreement would be on reforming the Armed Forces. I believe this will be the crucial issue. [end recording]

As Ruben Zamora sees it, this issue apparently is one of the most important ones as far as government compliance with agreements goes. Zamora said that the president will have no other alternative but to start working on a reduction of the Army because if the armed struggle ends, there will be no justification for maintaining an army of 60,000 men.

[Begin Zamora recording] It is true that the Armed Forces reduction process will be completed once a definite peace agreement is signed, but this process must begin with a cease-fire. The government must realize that if it wants a cease-fire, it has to reduce the Army. [end recording]

Regarding the participation of political parties in the meetings between the government and the guerrillas, the political leader said that this will happen as soon as either the negotiating parties make that decision or the political parties make that request. It all depends on the progress of the negotiations at a given moment.

UN Delegate De Soto Meets With Parties

PA1606043690 San Salvador TCS Television in Spanish 1215 GMT 14 Jun 90

[Text] Dr. Alvaro de Soto met with opposition political parties and the government party basically to discuss the

administration of justice and judicial system reforms, MNR [National Revolutionary Movement] director Guillermo Manuel Ungo reported. He also said that an American will participate as an international observer in the investigation of the assassination of Hector Oqueli Colindres.

After holding a preliminary meeting with President Alfredo Cristiani, the San Salvador archbishop, and the country's labor and business sectors, De Soto, a United Nations delegate, met with political parties in private, as agreed in Geneva. Ungo described the talks as positive because reform to the electoral system and the administration of justice were discussed.

[Begin recording] [Ungo] These reforms are something sensed in political, labor union, and business circles.

[Reporter] Was the electoral system discussed in the meeting?

[Ungo] Of course it was. We expressed our interests, fears, and concerns, as well as our satisfaction and recognition for the work carried out by a UN technical commission. We think the result of this work has been of very high quality. [end recording]

Regarding the assassination of MNR leader Oqueli in Guatemala, Ungo said that the investigation thereof will be checked by a top U.S. expert upon the request of Socialist International.

[Begin Ungo recording] In addition, we expect U.S. Professor (?Tom Fares) to arrive in Guatemala in the second half of June. As an independent international observer and upon the request of Socialist International, he will arrive in Guatemala with a high-level assistant and a Latin American to express opinions and make recommendations both to us and, primarily, to the Guatemalan Government. [end recording]

This makes us think that Oqueli's case has not yet been closed, even though the Guatemalan president has announced that at the next Central American presidents' summit he will present a final report on the assassination to Salvadoran President Cristiani.

Monsignor Asks Presidents To Back Peace

PA1706203090 San Salvador La Voz Panamericana in Spanish 1400 GMT 17 Jun 90

[Homily by Monsignor Arturo Rivera y Damas at the Sacred Heart Basilica, in San Salvador—live]

[Excerpt] [Passage omitted] In national affairs, the most important events are related to our neighboring countries, especially Guatemala and Mexico.

In Antigua Guatemala, the Central American economic summit is taking place. The objectives of that summit include not only the economic promotion of the region but also the improvement of the standard of living of the Central American people with the support of the international community.

The presidents will realize that these objectives can be reached if the dialogue-negotiations process in which the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] are engaged is backed, if there is an improvement in the human rights situation in the area, and if efforts are made to secure true self-determination for the nations of the region.

Regarding the dialogue-negotiations process to take place in Mexico, this will be an uphill effort, but the fact that there is already an agenda and a calendar makes us expect some positive results. To avoid wasting time, it would be advisable to begin by discussing the least delicate points so that initial political agreements that generate trust among the people can be reached.

The Legal Tutelage Office has initiated an investigation on the alleged torture by the FMLN of a 21-year-old Atlacatl Battalion soldier, Jose Gabriel Martinez Pineda. The office already has a statement by the victim as well as a medical report from the office's forensic doctor.

Since there are some contradictions between the statement and the report, the office will carry out three complementary inquiries: the place will be searched, a Red Cross report will be secured, and a statement by the soldier's mother will be sought so that a definite conclusion may be reached.

Meanwhile, if what the soldier says is true, I categorically condemn this barbaric action by the FMLN.

As you can see, social peace is necessary in our country so that everybody may have calm and security. This is why we are most interested in the presidents' meeting and the forthcoming dialogue making progress.

We offer this mass with these intentions. Amen.

Army Reports 38 Rebels Die in Recent Fighting

PA1606214590 Panama City ACAN in Spanish 1908 GMT 16 Jun 90

[Text] San Salvador, 16 June (ACAN-EFE)—An official spokesman has reported that at least 41 persons—38 of them rebels—have been killed and another 21 wounded in fierce battles between Salvadoran Army troops and Farabundo Marti National Liberation Front (FMLN) rebels in various areas of the country in the past several hours.

The spokesman noted that 35 FMLN fighters died after bloody clashes against Fourth Infantry Brigade units in northern Chalatenango Department yesterday. This Salvadoran department is located approximately 70 km from San Salvador.

Colonel Roberto Pineda, commander of the Fourth Infantry Brigade, stated today that this armed action has

been the biggest one so far this year in northern El Salvador, an area considered to be one of the main bastions of the FMLN.

The military source also indicated that a guerrilla was killed and two soldiers were wounded in a clash that took place on the Sensuntepeque highway between San Isidro and Cabanas Department, approximately 80 km north of San Salvador.

He also reported that one person was killed and another wounded when a bomb, placed on an electricity pylon, was set off in western San Salvador. The spokesman did not give the names of the victims.

The Armed Forces Press Committee reported that two female FMLN members were killed and a guerrilla leader was wounded during heavy fighting in San Miguel Department yesterday. It was noted that five soldiers were also wounded during these clashes.

FMLN commandos attacked a electrical plant near the eastern city of San Miguel at dawn on 15 June, damaging the plant and destroying five electrical posts. It has been officially estimated that these damages, which left most of the eastern part of the country without electricity, amount to more than $2 million.

Confrontations between the FMLN and the Salvadoran Armed Forces have worsened since it was announced that a new round of negotiations would be held in Mexico City on 19 June. The negotiations will attempt to find a peaceful solution to a conflict that has afflicted the country for a decade and has claimed more than 70,000 lives.

Army Reportedly Finds Sandinist-Made Mortars

PA1506121790 San Salvador EL DIARIO DE HOY in Spanish 11 Jun 90 p 10

[Text] According to a military spokesman, Salvadoran Army troops have seized four 120-mm mortars from FDR-FMLN [Democratic Revolutionary Front-Farabundo Marti National Liberation Front] terrorists that had been manufactured by Sandinist activists in Nicaragua.

The Lieutenant Colonel Oscar Osario Artillery Brigade, headquartered in San Juan Opico, reported that the armaments were found in an underground depot on El Soto farm, jurisdiction of Ciudad Arce, La Libertad Department.

The source said that when the cache was found there was a shootout, and two terrorists were killed.

The brigade reported that the troops learned about the hideout from a subversive deserter who said the terrorists received instructions and training on the manufacture of weapons from Cubans and Sandinists in a garrison in Managua.

It also disclosed that other projectiles of the same type are scattered throughout the national territory, particularly in San Salvador's suburbs, where the terrorists are preparing a new "offensive."

The source added that a Soviet-made rifle with its respective clips was also found.

Former FMLN Aide Stands Trial for Subversion

PA1806013190 San Salvador EL DIARIO DE HOY in Spanish 15 Jun 90 pp 2, 15

[Text] Jorge Alberto Flores Aviles, a former aide to Farabundo Marti National Liberation Front [FMLN] Commander Jorge Shafik Handal, is currently standing trial at the Sixth Penal Court. He is accused of subversive association and carrying weapons and false documents.

Legal sources have reported that Flores Aviles was arrested by the National Police in the San Antonio neighborhood at Santa Tecla on 23 April. He was assigned to the mentioned court a day later.

The prisoner accepted the charges against him out of court, but denied them at the official inquiry. However, extrajudicial evidence indicates that he has been an Armed Forces of Liberation (FAL) member since 1979 and was in charge of the "eastern front" from 1981 to 1982.

Flores Aviles is known in the terrorist ranks as "Commander Atilio" or "Tilon." It was also reported that Flores traveled to Cuba to study in 1983. During the trial, several photographs of the prisoner that were presented as evidence showed him in combat zones, particularly in the San Salvador volcano area.

Also included as evidence are a Salvadoran passport, a Honduran passport, and a personal identity card with Flores' photograph but the name of another person. Police sources confirmed that the prisoner was the right-hand man of terrorist Commander Shafik Handal a few years ago.

* FMLN Thanks FRG Newspaper for Donation

90P40058A West Berlin DIE TAGESZEITUNG in German 3 April 1990 p 9

[Text of Spanish-language letter from the Farabundo Marti National Liberation Front, FMLN, to DIE TAGESZEITUNG]

[Text] Dated 24 January 1990 Newspaper Comrades DIE TAGESZEITUNG Of this city Dear Comrades,

A revolutionary and spirited greeting from the Farabundo Marti National Liberation Front. In 1990 we hope you will have success in your work, overcome obstacles, and further your achievements.

We hereby wish to express our gratitude for this new donation of solidarity of one hundred thousand dollars

($100,000.00) which you sent to our Front as a result of the "Arms for El Salvador" campaign to support our just struggle for liberation.

This contribution comes at an opportune moment and is of great political importance for our efforts. We are experiencing a crucial and decisive period in the struggle of the people of Central America, and yet, despite the imprint left on us by the boot of imperialism, we are convinced that 1990 will be the year in which the Nicaraguan people will reaffirm their self-determination and sovereignty, and in which the children of Farabundo Marti, with their infinite hope and unshakeable spirit, will win democracy and peace in El Salvador.

On behalf of our people, the FMLN will be eternally grateful for this campaign which expresses the will of the German people for El Salvador.

Everything for victory.

El Salvador will be victorious.

The Political-Diplomatic Commission of the FMLN.

[Signed:] Nidia Diaz, Mercedes del Carmen Letona, and Miguel Saenz Varela.

Guatemala

URNG on Participation in Constituent Assembly

PA1506235490 Guatemala City PRENSA LIBRE in Spanish 10 Jun 90 p 2

[Text] A CERIGUA dispatch datelined in Havana reports that the Guatemalan National Revolutionary Unity (URNG) will participate in a constituent assembly with their weapons.

The statement was attributed to Commander Pablo Monsanto, a member of the rebel leadership.

The dispatch added that, in an interview with the morning newspaper GRANMA, the guerrilla leader explained that the URNG will participate "as a political force, not as a political party."

Monsanto established that the constitutional reforms must change the counterinsurgent nature of the state, as well as the role of the Army, which is designed to repress the people.

Regarding the property system, the URNG "recognizes the right to own private property, not in absolute terms, but basically as a part of society." It also called for a review of the historial rights of Indians and the role of women, and demanded that the constitution recognize the interests of urban and rural workers.

The URNG commitment with the political parties not to carry out actions against the electoral process or sabotage acts during the political campaign does not include armed actions against the Guatemalan Army, Montanto said, emphasizing that there is no truce or cease-fire in our country.

Guerrillas Attack Bus, Kill Lieutenant, Civilian

PA1506123390 Guatemala City EL GRAFICO in Spanish 12 Jun 90 p 7

[Text] Guatemala City, 12 Jun—On 11 June at 0300 rebels attacked a suburban bus at the 124-km marker on the southbound road in Rio Bravo jurisdiction, Suchitepequez, killing a sublieutenant and a civilian.

Preliminary reports indicate that Sub-Lt. Nelson Omar Poggio was on the bus when it was intercepted by the rebels. When the rebels identified the officer, they opened fire, killing him instantly. A stray bullet hit another passenger and also killed him.

The "Rapidos del Sur" bus was travelling from the south to Guatemala City when it was intercepted.

Earlier, three security agents, including the former chief of the National Police's narcotics department, had been killed by rebels in the same region.

After the 11 June incident, troops stationed in the nearby areas began searching for the rebel group. Military spokesmen who were approached by reporters later that day in Guatemala City said that the search had yielded no positive results.

Meanwhile, the National Police have begun investigations to identify the civilian who was killed on the bus.

CUSG Communique Says President Deceiving People

PA1506122590 Guatemala City PRENSA LIBRE in Spanish 12 Jun 90 p 12

[Text] A communique that was issued by the Guatemalan Confederation for Trade Union Unity (CUSG) and sent to our editorial desk states that President Vinicio Cerezo is again trying to deceive the people by not keeping his promises. During a speech on radio and television network in 1987, the president promised he would not punish the economy with new and higher taxes.

Today, the Christian Democrats are again mocking the people and trying to further impoverish us. The government is claiming it has no money but does not say what it spends the money on, the CUSG said.

The CUSG added that it is now the deputies' turn to reject the new tax package, because if they approve it the people will not vote for them in the next elections.

Again President Cerezo and his government are using lies to achieve their ill-fated intentions of satisfying their insatiable ambition and limitless corruption, said the CUSG.

The government says it has no money but it does not mention how much it has received during its administration. For example, the government received 679.3 million quetzals in taxes in 1985, 1.1114 billion quetzals in 1986, 1.4307 billion quetzals in 1987, 1.7937 billion quetzals in 1988, and 1.8445 billion quetzals in 1989, the CUSG added.

This data published by the Finance Ministry proves that the current government has tripled the revenue received by the Mejia Victores government. The aforementioned data does not include donations, loans, and other items that have favored the current government, the CUSG added.

The CUSG communique stressed that because of the government's administrative incompetence, no amount of money will be enough, and therefore the CUSG rejects the imposition of new taxes.

In conclusion, the group urges the people to remain alert to oppose the many abuses, and it states that lies, harmful actions, corruption, and incompetence must all be rejected.

Honduras

Callejas To Seek Changes in C.A. Common Market

PA1506222790 Panama City ACAN in Spanish 1825 GMT 15 Jun 90

[Text] Tegucigalpa, 15 Jun (ACAN-EFE)—Honduran President Rafael Leonardo Callejas will travel to the economic summit in Antigua (Guatemala) today to support a new regional integration process in which Honduras will refuse to assume a "Cinderella" role.

Shortly before his departure, Callejas agreed with business and labor leaders that Honduras has no interest in reactivating the old Central American common market of the sixties.

During that era, even though the region as a group accomplished an annual economic growth rate of six percent, Honduras and Nicaragua assumed the role of "consumers" of Costa Rican, Guatemalan, and Salvadoran products.

Honduras' meager industrial development led to an accumulation of negative economic figures, and the country took advantage of its war with El Salvador in 1969 to withdraw from the common market.

As an alternative, in 1971 Honduras started signing bilateral trade treaties with their regional neighbors, which did not prevent it from always dragging along an unfavorable trade balance.

In 1988, for example, Honduras' total exports to the rest of the area added up to $47 million, and its imports amounted to $66 million, with an unfavorable gap of $19 million.

Edwin Rosenthal, president of the National Association of Industrialists, commented today that, under these circumstances, "if we are going to join the same common market we were members of before, it is better not to join."

This opinion is shared by the Cohep [Honduran Private Enterprise Council], which presented Callejas with a letter stating its position concerning the new integrationist plans.

Honduras' position is that at this time the structures and goals of integration should be renewed and "we must set upright what was formerly upside down," government sources told ACAN-EFE.

"We no longer want to be consumers of our neighbors' products, and we are demanding fair and equal treatment that will exploit the comparative strengths of each country instead of their weaknesses," the official source underscored.

This nation's problem, which is admitted even by the authorities, is that it has maintained the same industrial lag of the sixties and seventies, and has an economy that obtains 64 percent of its income from the sale of coffee and bananas, just as it did at the beginning of the century.

The experts recall that in the past decade there was a regression instead of a promotion of domestic development, which is proven by the fact that during those years the gross national product dropped by 16.6 percent.

In this country of 4.5 million inhabitants, the percentage of the population affected by poverty went from 47 percent in 1980 to 67 percent in 1990, according to studies by international organizations.

In an effort to stem this situation, Callejas set in motion a neoliberal adjustment in March, and he is demanding another "adjustment" for the entire region.

Nevertheless, Callejas is not taking any specific proposal to the summit—only general considerations and a basic economic goal: to achieve an agreement to reform the legal structures of regional integration.

The president plans to travel to the Guatemalan capital at 1500 (2100 GMT) in the presidential airplane, accompanied by government officials and special guests who will join the economy and foreign affairs ministers who are already in Antigua.

President Callejas Holds News Conference

PA1506133490 Tegucigalpa Voz de Honduras Network in Spanish 1735 GMT 13 Jun 90

[News conference by President Rafael Leonardo Callejas with domestic correspondents, moderated by Press Secretary (Martin Bahiza Meneta), at the presidential palace in Tegucigalpa—live]

[Text] [(Bahiza)] Thank you for coming to this news conference. We will try to touch on the highlights of the upcoming economic summit of Central American presidents in Guatemala. Here is the president.

[Callejas] Reporters and Honduran people, as you know, this Friday, Saturday, and Sunday there will be a meeting of Central American presidents, with Panamanian President Guillermo Endara attending as a guest, on the scope of a new concept in Central America—what is basically referred to as the economic summit. We feel that the time has come to promote a new mood of integration in Central America. In recent years, we have made great strides in bringing peace to the area. The San Isidro de Coronado accords are being fully implemented. The remarks by Nicaraguan President Violeta Chamorro, the negotiations between the Salvadoran government and the FMLN [Farabundo Marti National Liberation Front], and the disappearance of the contra guerrilla forces give Central America a new dimension in social and economic terms.

We are ready to participate in this process. The Honduran stance is to proceed without commitments. Our only stance is our full independence, without committing the country to anything but a single objective—to the clear idea that if Central America wants to find a new course it must assign priority to the integration process. Yet, the integration process must have a new legal framework, because the integrationist treaties of 30 years ago were implemented under conditions very different than those that exist now.

The element of democracy was missing then. Now the Central American countries have a new political mentality. Thus, it becomes vital that Honduras, which has for many years lived outside the Central American legal framework, accept with interest returning under a new concept, a new legal framework, and a new mentality.

We believe a new legal framework must be drafted for Central American integration. We must ensure that any joint action designed for integration should, above all, promote social commitment to improve living conditions for the poorer sectors of Central America. Guarantees of food, health, and education are basic elements that should be discussed at this meeting of presidents so that Central America can advance to a new stage.

If the Esquipulas meeting showed us the path to peace, today, here in Antigua, Guatemala, we will take the path of economic development.

[(Bahiza)] Francisco Giron of LA TRIBUNA.

[Giron] When Honduras joined the Central American Common Market in the 1960's, it produced large amounts of basic grain. Now it does not produce much basic grain or other competitive products in Central America. Do you think that our country is now ready to participate in the Central American Common Market? Also, according to our country's industrial potential, do you not think that the same thing that happened to us in the 1960's will happen again?

[Callejas] I do not have the slightest doubt that, in view of the changes the world is experiencing, if Central America and Honduras do not integrate into an economic bloc, we will be isolated from world economic development. We must create the stages to be able to make use of comparative and compatible advantages in Central America. There is a great difference between the concept that we are debating now and that of 30 years ago. Then, the protectionist mentality prevailed. Today that mentality is directed toward being able to compete in foreign markets. Why did Honduras, among other things, cease to be a highly productive agricultural country? Because the Central American countries started from mistaken principles of protecting their markets and preventing a country with greater comparative advantages from expanding its production. What happened then? Now Central Americans are buying from other countries and do not buy grain from one another because we cannot produce them. The basic idea is not how to protect what we have, but how to expand. There is only one way to achieve this—Central American integration based on human principles.

[(Bahiza)] Gustavo Rubi of HRN.

[Rubi] Mr. President, we are not going to join the Central American Common Market on an equal basis because Honduran development does not compare to the other Central American countries. Are the other countries going to give us any advantages?

[Callejas] I think that the advantage that we should get is to generate our structural capacity to cooperate interregionally to be able to compete abroad. I would like to establish a basic point. For 30 years or more we worked under the concept of protecting our production and substituting imports.

The world has changed. Central America must understand that to make headway, it must be able to sell on the world market. Of course, Honduras' economic situation is complex. This requires precise analysis so we can determine how to profit. However, I am not going to Guatemala with such limitations, but with an open mind. My only objective is to help Central America and Honduras outline common goals that can give us access to economic prosperity, just as they have given us peace. Our economies are too small and our countries do not constitute large markets for the world. In all, Central America constitutes a market worth more than $35 trillion. But, by itself, no single country is worth an amount that enables it to have effective access to the possibilities offered by the foreign market and become attractive for it. The basic problem is whether we Central Americans have the political will to develop, within the framework of our nationality and sovereignty, the ability for integration and economic, political, and social cooperation.

[(Bahiza)] Lorena Monge of Radio America.

[Monge] Mr. President, it has been reported abroad that Nicaragua is going to propose in this summit to reduce the size of the armies in Central America. What is Honduras' stand? Do you support this? Finally, does Nicaragua's persistence in participating in Honduras' demand against El Salvador at the International Court of Justice for a portion of the Gulf of Fonseca not constitute an obstacle against what Central America is seeking?

[Callejas] Problems of sovereignty and between countries should not constitute obstacles against dialogue for Central American integration and cooperation. Of course, we are concerned about Nicaragua's stand because it does not contribute toward making easier relations in Central America. We hope, however, that the legal alternatives to be presented can be resolved through dialogue and bilateral actions. The same circumstances attend to the definition of the Honduran-Salvadoran border. We believe that the San Isidro de Coronado Costa Rica accord merits political revision to determine the scope and fulfillment of the commitments made by the various Central American countries. With this in mind, we are going to Guatemala with goodwill and good intentions, yet with a clear desire that these juridical obstacles not pose a problem for Central America's future.

As for your other question, I presented our view during my inaugural speech and still believe in it. There must be a reduction of offensive weapons in Central America. What you referred to was already presented in Montelimar, and a meeting was convened in San Jose to discuss military structures in Central America. However, we do not think that this is a unilateral situation, but that it must be agreed upon by the other countries. In Honduras, we have initiated a process to lower the Armed Forces budget. In addition, we are aware it is necessary to re-examine the Armed Forces' role in a peaceful Central America. The Armed Forces are vital for Honduras' democracy. We must hold a broad debate with the Armed Forces and the country's various sectors to establish both where we are headed in our democracy and the Honduran Armed Forces' stand. With this in mind, we can be in a position to continue to consider these proposals. I have heard that Nicaragua plans to reduce its armaments in two years. We want to see, however, how extensively this plan will be implemented and how much willingness there is in Nicaragua, Guatemala, El Salvador, and Honduras to fulfill these objectives. It would be very interesting to have someone propose that a reduction in offensive weapons should meet a counterproposal that the value of offensive weapons in Central America should be used to create a social development fund in Central America and that this reduction would increase the fund. In addition, a number of world countries have contributed toward the Central American arms buildup. To the same extent that there are offensive weapons here, these countries should contribute to a fund for Central American development. At this time, it is a difficult to establish specific points, but we are willing to reduce the number of offensive weapons in the region.

[(Bahiza)] Julio Armando Valdes of HRN.

[Valdes] Mr. President, before to this summit, did the EEC and the United States specify any conditions for negotiating in Guatemala?

[Callejas] None. Just as we Central Americans speak with our own voices to resolve the problems of peace, we should also speak with our own voices to resolve our economic problems. There are many interested groups and countries such as the EEC and Japan. Mr. Baker, the U.S. Secretary of State, will arrive in Guatemala to meet with the presidents of Central America and Panama. He will probably bring some initiatives that we will examine. There is no doubt, however, that Central America must make its own decisions and tell the world that just as we were able to cope with the problems of war and attain peace, we are willing to deal with developmental problems to create prosperity in Central America.

We are going to the summit with an open mind; however, we need foreign support. Significant changes cannot take place in Central America without the support of the countries that have been close friends of our region.

[(Bahiza)] Teodoro Diaz from the newspaper TIEMPO.

[Diaz] The Honduran private sector supports the issue of Central American unity. In addition to the issue of Central American integration, what other topics will be discussed at the summit?

[Callejas] Central American integration is an issue that we will have to discuss with all sectors of Honduran society immediately after the summit in Guatemala, because all decisions dealing with this topic affect the various Honduran groups. These decisions benefit some and trouble others. We must design a strategy to deal with the options Central American integration will offer us. We do not want to see Central American integration simply in terms of a Central American Common Market, as I said before. A Central American Common Market is important, but it is not everything. We must also look into our region's social, environmental, and geopolitical problems. We must take care of problems of infrastructure, and we must plan the way in which our communities will participate in the new Central American context. We have to think about the participation of our political parties, social organizations, peasant groups, and labor unions in the decisions made within the framework of future Central American integration.

Because of the importance of the decisions to be made on this occasion, this summit will obviously be a very open one. There will be plenty of discussions and probably many general communiques will also be issued. Honduras cannot go to the summit with definite positions, and we will not support definite positions either. The first major issue will be the discussion of the legal framework of Central American integration. It is our

opinion that the legal framework of the Central American integration process that was established 30 years ago no longer applies to our region.

We are going to discuss the new process of Central American unity with an open mind, while being aware that without integration, Central America would head toward a very complex economic situation.

[(Bahiza)] Eduardo Maldonado [words indistinct].

[Maldonado] [Words indistinct] for this economic issue and improvement of the Central American economic situation will have the support of international organizations. Have the Central American presidents talked about or agreed upon adopting a formal position with regard to the various foreign creditors and the Central American foreign debt negotiations?

[Callejas] Foreign debt negotiation is a topic that will certainly be discussed at the summit. The foreign debt problem is very different in each of the Central American countries. Some of them have made extraordinary progress in their private foreign debt negotiations. That is the case of Costa Rica, for example. There are others, who like us, have bilateral and multilateral debts that can neither be forgiven nor renegotiated. In other words, the foreign debt problem varies a great deal depending on the country. Consequently, we must discuss the need for the Central American countries to adopt a common position in those aspects in which we find coincidence, as far as foreign debt is concerned. In addition, the countries that have conducted successful debt negotiations should share their experience with the remaining countries to negotiate our nation's foreign debt in the best possible way.

[(Bahiza)] Rafael Castellanos from Radio Tegucigalpa.

[Castellanos] Mr. President, would this integration tend to expand worldwide, and also I would like to know if we are going to demand better treatment for Central America by powerful organizations and countries?

[Callejas] It is my impression that the world is going to be divided into great economic blocs, and that those blocs will create protectionist barriers. I do not see worldwide integration with free trade because of the way things are going on in Europe and what we are seeing on the American Continent. The most exact prediction of this option is that in Europe in 1992 there will be total integration, and that the United States is already adopting steps with Canada and Mexico to create economic integration free zones. This should call our attention, because Central America could become isolated from the rest of the world. It could have problems selling its products to the most important consumer markets of the industrialized world. Bearing these facts in mind, we believe that it is important to now establish an interest in Central America to participate to the extent of its capabilities and its development in the world's economic blocs. However, friendly countries and multilateral financial organizations should be aware that without their support, Central America faces enormous problems. Documents that analyze Central America, from the Kissinger documents to the so-called Stanford Commission, establish that from a social aspect alone, Central America requires $2.25 billion in loans from the West.

[(Bahiza)] Edgard Armando Lopez.

[Lopez] Do you believe that conditions are ripe in Honduras for us to join Central American integration? I am asking this because financial experts believe that Honduras might get the worst part of the deal in view of the existing conditions in the country's agricultural and industrial sector.

[Callejas] I would like to divide your question into two parts. The Central American Common Market is part of a great integration process. However, we cannot speak of integration just by seeing the commercial viewpoint. We must be aware that the basic goal is that we understand economic integration to be the most appropriate use of comparative advantages among area and other countries. Honduras has it own characteristics of comparative advantages in a series of agricultural and industrial products. We must make the most of Honduras' comparative advantage to better use Central American capital. What happened to the previous market? They used to sit at a table discussing how to protect industry, which in the end was inefficient, resulting in substituting imports. You may or may not recall that the debates dealt with how much profit and protection were to be given to any industry. It would not make any sense for Honduras to return to that system. We understand integration as a concept of comparative advantages and a criteria of blocs to face the international market. We are not going to sacrifice what we have in Central America if we do not have the advantage in size, efficiency, and possibility of expanding our market. Our viewpoint is very different, because we do not seek protectionism. However, we are not willing to lose what we already have for the sake of protecting the industries of other Central American countries.

[(Bahiza)] Juana Dolores Valenzuela.

[Valenzuela] Mr. President there is a matter that I would like to inquire about. It is about Hondurans who supposedly participated in the counterrevolution in Nicaragua. The latest report I have received was that there are still 20 or 25 Hondurans in Nicaraguan jails. Could you tell us about this?

[Callejas] I do not know anything about that. The latest reports I have received, and on which the Honduran Government immediately acted, are about fishing boats that had been captured in Nicaragua. We have taken steps to get their release. However, I have no specific information, nor have I heard of Hondurans who are still in Nicaraguan jails for having participated in the counterrevolution in Nicaragua.

[(Bahiza)] Gustavo Ruben.

[Ruben] Mr. President is there a political agreement among the six countries already? Also, it has been said that this initiative did not come from any Central American President, but is an order from the U.S. Government and international credit organizations?

[Callejas] Which initiative?

[Ruben] The initiative of a new Central American integration.

[Callejas] First of all, there is no definite political decision in Central America. We all want integration, but no decision has been adopted. The decision will be a adopted when the Central American countries reach agreements establishing that we want to analyze the legal aspects of Central American integration. Until we reach that stage we really can only speak of intentions. Modern times require this. It is a historical requirement. It is a demand that arises at this moment. It is up to us, now or never, to understand that Central America has a united perspective of the outside world. If we stand alone we will always live in poverty and dependency, because we do not have the capacity to compete technologically or economically with the other countries. We are going to get less and less resources. Our concern, as you can see in the media, is the attention being given to East Europe. The United States wants to reduce foreign aid. The Europeans are treading another path. Therefore, Central Americans must start proving that not only do we have the intentions, but that we are willing to work for Central American integration. However, it is a Central American voice and intention, and we share that desire.

[(Bahiza)] Giovanni Garcia from the As of Today program.

[Garcia] Mr. President, will Central American integration allow a short- term recovery of the economies of Central American countries?

[Callejas] Most Central American countries have started programs adjusting their economies in view of the legacy of the last decade. I mean the substantial increase in the fiscal deficit, the reduction in exports, the problem of lack of foodstuffs, and the shortage of basic products. Central America found itself in a very complex economic situation. In that context, we believe that a gradual improvement and a greater absorption of resources would allow us to attend to the poorer sectors. For Honduras and for myself, integration does not make sense if it does not go hand in hand with social programs—that is, first of all, to rebuild what is left after violence and war in Central America. We have overcome that stage already. We must rebuild a more positive economic and social sector.

[(Bahiza)] Ospino of HRN.

[Ospino] Mr. President, you concretely discussed the problem of the foreign debt. You also mentioned a new integration under a new legal basis. Just what basis were you referring to?

[Callejas] At this meeting we will discuss several types of proposals. However, it will not be a meeting to come to a final decision, like the one you speak of. The meeting will discuss general topics, intentions as to what should be the goal of Central American integration. Few countries in the area have approved the Central American parliament. That shows that there is not necessarily the same desire in Central America to integrate. It is not an easy process. It is not a fluid process. It is subject to enormous discrepancies in society. That is why we can only hope to issue communiques on general intentions of good will in the quest for a consensus to tread a Central American path. However, the basic step and the message that, in my opinion, the presidents should convey is: 1) that Honduras is willing to go all the way to reach Central American integration; 2) that there must be a different legal basis from the one that gave rise to the Central American Common Market, and that the legal basis should grant priority to social reconstruction and to the struggle against poverty in Central America.

[(Bahiza)] One last question, Julio Armando Valdez of HRN.

[Valdez] Mr. President, you have spoken about the debt and the presidents of the area have spoken about the possibility of asking international organizations for a moratorium or exoneration of the debt.

[Callejas] International organizations have spoken clearly on this: There is not going to be a debt exoneration. They argue that the mechanisms to be used on the debt are renegotiations to redesign and make debts serviceable.

The latest visit to Honduras by a representative of such organizations was from Inter-American Development Bank President Enrique Iglesias. He clearly said that exonerations do not form part of the policies of international organizations because they believe that private banks are not prepared to give financial aid again to the Central American countries, especially to Honduras, and therefore negotiations with private banks are different from those with multilateral organizations, because the latter have agreed that once we resolve our overdue bills situation, they will be prepared to continue financing Central America.

In my opinion, any hope to secure debt exonerations from bilateral or multilateral organizations is not backed by the true policies of these institutions.

This does not mean that we should stop presenting alternatives so that debt negotiations may allow the Central American region to secure resources and local currencies.

[Reporter] One last question, Mr. President. How would the Central American countries benefit from Panama forming part of this integration?

[Callejas] By having an expanded market and access to a service society and the Panama Canal. There are basic

areas in which Panama could intensively use resources from other countries. Panama has few natural resources. There is a society that has much experience in the managing of international banks. It is a country with a free zone. A country of service to the world. Exchanges could benefit us because of the characteristics of a country that is, economically speaking, more complex.

Honduras has advantages in the natural resources aspect. We have the largest amount of available water resources. Neither Nicaragua, nor El Salvador, nor Panama have water resources capable of generating low-cost electrical energy. So by expanding the energy consumption market throughout the Central American isthmus, Honduras would have the opportunity for suitable access to it and to efficiently improve the way we manage this natural resource.

[Reporter] You will be leaving, and it looks like the strike could go out of control and get worse. How are you going to resolve that?

[Callejas] We have said clearly that Sitramedys [Union of Medical, Hospital, and Related Workers], if it is their strike you are talking about, must be willing to talk and be accessible to the health minister. I am not going to get involved in a strike of this nature.

[Reporter] [Question indistinct]?

[Callejas] The health minister is responsible for administering the health sector. Sitramedys is an association that has to do with the health sector.

[(Bahiza)] Gentlemen, the president thanks you for your kind presence at this news conference.

Nicaragua

Reportage on Chamorro's Army Reduction Plan

Chamorro Gives Speech

PA1506193190 Managua Domestic Service in Spanish 1757 GMT 15 Jun 90

[Speech by President Violeta Chamorro at the Olof Palme Convention Center in Managua—live]

[Text] Honorable Legislative Assembly Board of Directors; Honorable Supreme and Electoral Court Judges; friends of the government Cabinet, Sandinist People's Army command staff, and Government Ministry's supeior national directorate; valued members of the diplomatic corps; dear Cardinal Miguel Obando y Bravo; and all friends:

Before leaving for Guatemala to participate in my first summit with the fraternal presidents of Central America, I want to address all the people of Nicaragua, the Central American community, and the world to announce the decision I have taken to ensure that our country will consolidate the peace that it has already achieved, increase its civic inclination, and move forward firmly in its efforts to consolidate democracy.

In compliance with the Esquipulas agreements and the agreements signed between my government, the Nicaraguan Resistance, and Yatama, 14,200 men and women have disarmed themselves, and their weapons have been destroyed. These people have returned to their communities or gone to development centers that were made available to them in order to join the country's productive life.

This great peace effort included compliance with the cease-fire and separation of forces commitments, as has been verified by the UN Observer Group in Central America. We are very proud to announce that since 25 April no Nicaraguan has lost his life because of this fratricidial war. For this, we express our appreciation to international organizations and to our dear Cardinal Miguel Obando y Bravo. We can say with all certainty today that the war is behind us.

Based on this reconciliation, and after studying the plan for the reduction of the Sandinist People's Army presented to me by Army Commander General Humberto Ortega on 7 June, and evaluating its economic, social, and political implications, I have decided to order the number of troops in our Armed Forces to be reduced before the first 100 days of my government. The Army is to be reduced to less than 41,000 men or women. This amount is half the number of persons that were in the Army on 25 April, the date I assumed the presidency of the country.
reduction in the military apparatus, I have ordered a reorganization of the Army to adjust it to the new situation of firm and durable peace that will characterize Nicaragua's future. I will do this bearing in mind that we must maintain a reasonable balance of forces in Central America as stipulated in the agreements signed to date by the Central American presidents.

The reorganization calls for an even larger reduction in the Army's ranks, and will also include high-ranking officers, who will benefit from special support plans sketched by my government to facilitate their transition to civilian life. In other words, my government will provide security for them so that they can join civilian life.

The total number of soldiers in the Army at the end of this reorganization phase will depend partly on Central America's future. A Central America where there is peace and democracy and where all conflicts are solved through dialogue will not require armies, large or small.

Regarding the boys who, at this time, are in the military service, I have also issued instructions so that the last group will be demobilized on 7 December, at the Feast of the Immaculate Conception of the Virgin Mary, so that they can all be home on that date.

From that date forward, the Army will be made up of youths who voluntarily decide to continue serving professionally in the military institution.

Finally, regarding the weapons that are currently being held by civilians in any part of the national territory, I am also announcing that I have ordered the Army and the Government Ministry to immediately implement a national plan to recover those weapons. My goal is that by next Christmas there will not be a single weapon in the hands of anyone other than the members of the nation's Armed Forces.

In order to facilitate this task, the Army has expressed its total willingness to create a special commission made up of Army officers, former resistance commanders, and representatives of the Nicaraguan Repatriation Institute. That commission would encourage within the peasant population most affected by the war a climate of reconciliation, and not of revenge or vengeance, which will ensure the tranquillity and security our peasants deserve.

I want a blessed nation that, instead of burying its children in a war among brothers, will bury weapons once and for all to silence the cannons once and for all, as our national anthem says. I said this 50 days ago at the National Stadium, and I will not rest until this dream becomes a reality.

I avail myself of this opportunity to invoke the memory of former Costa Rican President Pepe Figueres, so that his life and work can serve as guide for the rest of Central American brothers, and so that this new century can begin without armies in the area. Thank you all. [applause]

RN Leader Ferrey Hails Reduction

PA1506211890 Managua Domestic Service in Spanish 1833 GMT 15 Jun 90

[Interview with Roberto Ferrey, representative to the Nicaraguan Resistance, RN, demobilization talks, by unidentified reporter at the Olof Palme Conventions Center in Managua—live]

[Text] [Reporter] How do you react to President Violeta Chamorro's statement at noon today?

[Ferrey] Fifty-percent reduction of the Army constitutes a truly significant event. It will entail a complete change from the Sandinist regime's militarism. The commitment to demilitarize society is a true commitment by this government that comes as a result of the end of the war. As she said, the war in Nicaragua is behind us. Leaving the war behind entails a number of consequences. A large army or an army too big for this country is no longer needed. That is why this announcement will have a major impact. As she said, obligatory military service will cease to exist at the end of this year, and we will gradually advance toward a society amid democracy and liberty, and without the military.

[Reporter] You belonged to the RN Directorate. What do you think of the war now?

[Ferrey] That it is over. It is over; that is not just an opinion, but a fact.

Cesar on Demilitarization

PA1506215890 Managua Domestic Service in Spanish 1818 GMT 15 Jun 90

[Interview with government adviser Alfredo Cesar by Francisco Rivas at the Olof Palme Convention Center in Managua—live]

[Text] [Rivas] Engineer Alfredo Cesar, Radio Nicaragua's microphones await your comments concerning the statements made by President Chamorro. How would you explain this announcement to the people of Nicaragua?

[Cesar] First, that President Chamorro continues to keep the promises she has made to the Nicaraguan people. Less than two months have passed since we took office, and already important changes can be seen around the country. President Chamorro has gotten the Nicaraguan Resistance to demobilize; this is already a fact. Now, she is also keeping her word regarding reducing the Armed Forces. Today, she announced an initial Army reduction phase. Army troops will be cut back to approximately 40,000. Nicaragua has not had an army with this few troops in more than a decade, and the total will be further reduced; we are not going to stop at 40,000. However, it means that Nicaragua will already have an army that is commensurate in size to armies in other countries in Central America. As I have said, this is something that has not been seen in many years.

This measure will also have a positive economic impact around the country because resources that were previously assigned for defense and military use will now gradually be transferred to solving the social problems of Nicaragua.

The measure is also an important step in the region's peace initiative. President Chamorro leaves for Guatemala today to attend the presidential summit, and she takes a clear example of our efforts toward initiating reductions in armaments and armies in all of Central America. This is going to have a strong impact on the discussions that are to be held by the presidents in Guatemala. The objective is to contribute toward the demilitarization process in Central America so that peace can be a permanent reality and our countries can make economic and social advances. We are setting the example as to how this is to be done. President Chamorro, the head of our government, is setting the example and it is to serve not only Nicaraguans, but the entire region.

This is only the first phase of the Army's reduction and we expect to have reached the 40,000 level by the end of June. Later on, we will take this further, but as the president stated, it would be preferable if these phases

take place in coordination with the rest of the Central American countries. In this way, the reduction of armaments takes place in a balanced manner throughout the region.

[Rivas] Thank you very much, Engineer Alfredo Cesar.

Humberto Ortega Gives News Conference

PA1506204690 Managua Domestic Service in Spanish 1804 GMT 15 Jun 90

[News conference with General Humberto Ortega, army chief of staff, at the Olof Palme Convention Center in Managua by unidentified reporters—live; broadcast in progress]

[Text] [Ortega]... has [words indistinct] a reduction to the extent to which the situation with regard to the peace efforts shows that fundamental aspects of the disarmament and demobilization of the counterrevolutionary forces have been unfulfilled.

[Reporter] How long will it take to have the Army reduced by 41,000 soldiers?

[Ortega] We estimate that by July Army forces will have been reduced by 41,000 out of 96,660 soldiers the Army had at the beginning of January 1990.

[Reporter] [Words indistinct] all Army members [words indistinct]

[Ortega] As President Chamorro said in her speech, there will be special plans that are being analyzed jointly with the Central Government and the Presidency of the Republic to guarantee all basic living conditions to soldiers returning to civilian life who will be honorably discharged from the Army and who will be facing a new situation. There will be special plans, which the Army joint chiefs of staff is studying. The Presidency of the Republic will also analyze the plans.

[Reporter] [Question indistinct]?

[Ortega] That depends on the rank of each officer and on whether he is a captain, a major, a first lieutenant, a colonel, or a lieutenant colonel. Each officer has a specific period of time [words indistinct].

[Reporter] [Question indistinct]?

[Ortega] We will be in the process of gradually reducing Army troops by 41,000 soldiers by July.

[Reporter] [Question indistinct]?

[Ortega] We estimate we will have a little less than 60,000 soldiers.

[Reporter] What about the reorganization plan mentioned by President Chamorro?

[Ortega] I have already mentioned that this is a reorganization process that will guarantee a greater strengthening and professionalization of the Sandinist People's Army.

[Reporter] How will they be [words indistinct]?

[Ortega] It will be done in accordance with the process to improve the strategy and the organizational structure of the Army.

[Reporter] Will there be a reduction in the number of Army colonels?

[Ortega] The quality of the Army, its efficiency, and its level of professionalism will not diminish. On the contrary, it will be further improved. However, this will obviously affect the entire chain of command. We are in the process of analyzing this.

[Reporter] Are you still the commander in chief?

[Ortega] Do you not see me here? We have requested advice from various European countries. We are exploring the possibilities with Spain and other European countries. In sum, we have relations with all countries.

[Reporter] How long will you be the Army commander?

[Ortega] How long do you want me to be the Army commander? That depends on other factors, [words indistinct] of the process to restructure and reorganize the Army.

[Reporter] General Ortega [words indistinct] portion of the budget now being earmarked for the Army?

[Ortega] Things are continuously changing here. However, it is basically the same budget, which is still burdensome for the country. The Army budget will be less burdensome for the country to the extent we accomplish the reorganization process.

[Reporter] General, what is your opinion about the [words indistinct] found in Wiwili?

[Ortega] I am not aware of that. There have been some reports on that. However, I believe this is under investigation. That was also mentioned in an old report a few years ago.

[Reporter] General Ortega, how could these events influence a significant reduction in the Central American armies?

[Ortega] The example Nicaragua has given in the past, and the example it is giving now, should contribute to reaching a reasonable balance of forces in Central America, according to Central American needs.

[Reporter] Within the process to restructure and reduce the Army, what percentage of the present budget will be earmarked to other sectors in the country?

[Ortega] That will certainly be when the process ends, which will take some time. We think that a significant percentage of the budget will be earmarked for other special social and economic areas of the country, something which unfortunately could not be done in the previous regime because there was a war.

[Reporter] What is the [words indistinct]?

[Ortega] It will be done following a deep analysis, because this is something that the Army had been planning in the past 2 years, but it was impossible to implement it, although we had in-depth studies on the matter, because the war had not ended. As the war is coming to an end, [words indistinct] we can now implement this process. However the studies were undertaken a little over two years ago.

[Reporter] Apparently, there will be no need for a big or small Army in the future in Central America. Do you agree with that view?

[Ortega] The best thing would be if all people lived in peace. If there were no weapons anywhere in the world, that would be the best thing. I wish there were no weapons anywhere in the world.

[Reporter] [Question indistinct]?

[Ortega] The EPS name is Sandinist People's Army, according to the constitution. Right now, no amendments have been made to the Constitution. We think that Augusto Sandino is a national figure and not exclusive to the Sandinist National Liberation Front [FSLN]. The FSLN as a party does not own Sandino. Sandino came before the birth of the FSLN, and he belongs to all Nicaraguans. In this respect, the army bears the name Sandinist not because the previous government was Sandinist but because it is the heir to Sandino, who defended national sovereignty.

[Reporter] Is it true that the uniform will be changed?

[Ortega] Uniforms have their own characteristics.

[Reporter] [Question indistinct]?

[Ortega] There may be uniforms for the navy or land troops.

Commentary Asesses Central American Summit

PA1506172090 Managua Domestic Service in Spanish 1300 GMT 14 Jun 90

[Station commentary]

[Text] At their last meeting on 2 and 3 April in Montelimar, Nicaragua, the Central American presidents said that the consolidation of democracy in Central America, once the obstacles to peace have been removed, will require that we confront the economic challenges we are faced with in a decisive manner.

Nicaragua's current political stability is characterized by specific steps toward reconciliation. A dialogue has been initiated between the Salvadoran Government and the guerrillas in the FMLN [Farabundo Marti National Liberation Front], and the Guatemalan National Reconciliation Commission and the guerrillas in that country are meeting with one another.

The presidents felt that the time has come to begin the process of regional dialogue, negotiation, and concerted effort and to deal with the socioeconomic problems that our countries are faced with. Therefore, the presidents will meet at an economic conclave 15-17 June in Guatemala.

The Nicaraguan president will attend her first presidential summit, and she will carry—as she has said—specific proposals for regional economic integration through the Central American common market. The fact is that the heads of government, who are no more than public servants, are right about the urgent need to find mechanisms to overcome the cultural and economic backwardness of our countries.

The wars that our people have suffered for a number of years have concentrated wealth within a few powerful groups, and the majority of the 28.5 million Central Americans live in extreme poverty, uncertainty, and without a future in sight. The wars have not only caused the deterioration of farm economies but have halted technical, professional, and technological development; the wars have caused a considerable deterioration in the standards of living of those who depend on salaries.

For democracy to be complete, it must be accompanied by economic and social development and true political pluralism. Therefore, now that a new democratic path has opened in our country, now that all of the political organizations are participating in national life, and now that the opposition represented by the Sandinist National Liberation Front [FSLN] enjoys freedom, we should make an effort to reach a consensus and resolve to overcome the economic crisis.

The Central American presidents will make a joint effort to develop an integrated regional productive sector; once again they will discuss the foreign debt problem, which in Nicaragua's case surpasses $11 billion. The Montelimar declaration placed special emphasis on the economic support the region has received from the international community through the Special Economic Cooperation Plan for Central America, which further encourages the consolidation of the region's democracies.

Nicaragua will play a very important role in the summit that begins tomorrow. We have our Central American brothers' support, the United States' economic aid, and the European Community's recognition. However, Nicaragua's ability to overcome the crisis it inherited from the Sandinists after 10 years of mismanagement, and does not depend solely on the Central American people,

but instead, on the effort made by each and every one of us who live on this native soil.

Report Says U.S. Advisers Infiltrated Government

PA1706145390 Managua Radio Sandino in Spanish 1200 GMT 12 Jun 90

[Text] On 11 June, a news agency pool report stated that U.S. advisers have infiltrated all of the ministries of Violeta Chamorro's government. The reports adds that hundreds of Nicaraguans are being paid by the CIA to prepare and participate in specific actions against the FSLN [Sandinist National Liberation Front] and its militants. According to the report, this information has been fully confirmed by local press and political sources.

Chamorro Addresses Development Institute Meeting

PA1506232290 Managua Domestic Service in Spanish 2136 GMT 14 jUN 90

[Message by President Violeta de Chamorro to national meeting of Nicaraguan Institute of Development, INDE, at Cesar Augusto Silva Convention Center in Managua on 14 June—recorded]

[Summary from poor reception] Today, when the INDE is holding its national meeting, I thank and congratulate you, in the name of my government and my own name, "for the fruitful work you have done since 1983." The stimulus to the private sector at all levels "has been of incalculable value to our communities." "Despite the difficult times we have experienced, the private sector has forged ahead."

Nicaragua and my government acknowledge the assistance granted to small businesses, cooperatives, and students by INDE to promote Nicaragua's overall development. My government wishes to guarantee the operation of private enterprise based on the fundamental right of economic freedom because "we are convinced that private initiative and competition are the pillars of the peoples' development."

"We are going to promote a true social agreement" under which businessmen, the workers, and the state will contribute toward economic development for the benefit of all sectors. I have appointed a representative to maintain proper communications with all associations and economic groups of the private sector so as "to find prompt solutions to your initiatives and concerns."

Finally, "I thank you for all of the cooperation you have given to my government and I expect to count on your support to continue with the hard work of achieving Nicaragua's social and economic reconstruction."

Thank you for inviting me to this meeting. "I have attended it as president of all Nicaraguans and as part of the private sector."

Arguello Says Chamorro Violating Constitution

PA1706034290 Managua EL NUEVO DIARIO in Spanish 15 Jun 90 pp 1, 2

[Text] Doctor Miriam Arguello, president of the National Assembly, has described as unconstitutional the procedures used by executive branch chief Violeta Barrios [as published], who apparently will disregard the Magna Charta in order not to leave power to anyone who in her opinion has the odor of Godoyism.

While Barrios got her Vice President Virgilio Godoy off her back by sending him abroad to fulfill second rate functions, the government newspaper LA PRENSA has practically encouraged its owner not to leave power in the hands of Dr. Arguello.

In statements made on a Managua radio station, the president of the National Assembly said, concerning Mrs. Barrios' trip to Guatemala over the next few days, that anyone with the slightest ability to read can clearly see what the Constitution directs in this case, and that the only people who are confused are those "who cannot read Spanish."

Arguello added that Article 149 of the Constitution is "very clear and states that in the temporary and simultaneous absence of the president and vice president—as has happened now—the president of the National Assembly will assume (power)."

To this effect, Dr. Arguello—whom we attempted to interview on 14 June but who excused herself saying that she was very busy—said that the above means that Barrios must leave the Presidency to her while she attends the presidential summit.

The president of the Assembly, who spoke out against Barrios' intentions, called her to order and to adhere to the law when she said that "constitutional provisions concerning simultaneous absences should be respected."

In view of events thus far, the leading figures in the new regime are openly disregarding the laws that govern the country, and they are offering no justification for their actions. The very violation of the law of probity by the entire executive branch is evident proof that the government's actions are de facto and not de jure.

Dr. Arguello went even further in expressing her views. She emphasized that the government newspaper owned by Chamorro had made "surprising" observations when it published a clever interpretation of the constitutional regulation that obligates the president to temporarily surrender power to her.

LA PRENSA, the government's official newspaper, said in its 12 June edition that a mistake had been made in the interpretation of the Magna Carta and that the president of parliament could take office only "in the event of a definitive absence" of the president or vice president, which "is not the current case."

The government newspaper also pointed out that "in the event of an absence of less than one month, the Constitution does not obligate Barrios to surrender custody of the Presidency to either the vice president or the president of the National Assembly."

"I am not interested in keeping the position," Dr. Arguello said, but in a case like this "greater care should be taken."

Perhaps resigned to not occupying the Presidency, however briefly, Arguello gave her opinion as this: "Barrios' advisers are giving her bad advice. They are not her friends because, instead of helping her, they are harming her and making her fail to fulfill the Constitution."

The cracks in what was once the UNO [National Opposition Union] have continued to widen to the point where Dr. Arguello has publicly accused Antonio Lacayo and Alfredo Cesar, who is also the first secretary of the National Assembly, of being bad friends and bad advisers who are harming the president.

The president of the Assembly had to find out through the newspaper LA PRENSA that she cannot be the acting president—things are so bad that they do not talk to one another. She said, "So far I have not received any message from her, but LA PRENSA has addressed the issue and it is the official voice."

In an attempt to explain to the people what the newspaper in question really is, Dr. Arguello said that it seems as if LA PRENSA is trying to mislead the Nicaraguan people and is therefore violating freedom of the press, which demands serious and truthful reporting.

In conclusion, Arguello, who was interviewed on the radio, regretted that Violeta is being confused by her advisers. Warning those who doubt that she is mismanaging her quota of power, she said: "In short, the provisions made in the Constitution should be fulfilled in this case, because the country should not be left without a president for even one hour."

Daniel Ortega Warns About Limiting Summit

PA1606171490 Panama City ACAN in Spanish 1605 GMT 16 Jun 90

[Text] Managua, 16 Jun (ACAN-EFE)—Former Nicaraguan President Daniel Ortega has warned Central American presidents, who are meeting in Guatemala, that it would be "very dangerous" to turn the summit into a "merely economic" one when "death squads" continue to exist and human rights continue to be violated in the region.

"It would be very dangerous to overlook the serious problems that prevail in the region with regard to human rights violations, military growth, and drug trafficking," Ortega stated in a letter that was sent to the Central American presidents yesterday, but was not reported until today.

The presidents of the region today began to discuss ways to strengthen Central American integration at the eighth summit that is taking place in Antigua, 45 km from Guatemala City.

Ortega pointed out that limiting the summit to an economic discussion would "very much run counter to the letter and spirit" of the Esquipulas II regional summit held in August 1987 and the seventh summit held in April in Montelimar (Nicaragua).

The former Nicaraguan president reminded the region's presidents that the "Declaration of Montelimar" (Nicaragua) states that the economic challenge will be tackled with determination after the obstacles to peace have been removed."

However, Ortega pointed out that "we are far from attaining peace and as long as 'death squads,' impunity toward crime, and flagrant human rights violations continue to exist, we cannot talk about peace and freedom."

"It would not be advisable, from any standpoint, to wait for the attainment of a perfect democracy, total peace, or absolute freedom before implementing the cooperation needed to promote the economic development of our peoples," the Sandinist leader said.

Ortega stressed that "we are so far from being true democracies with genuine peace and freedom that we should not ever fall into the trap of seeking an unreal perfectionism."

The former Nicaraguan president added that "we in Central America must avoid continuing to hide or appear as if we did not notice the time bomb created by the regrettable state of human rights and the stalemated commitment to achieve a stable balance of forces in the region."

Ortega concluded his letter by insisting on the need to "advocate in Central America an open-door policy toward international organizations with recognized impartiality and competence in the area of human rights."

Peasants Claim Contras Hiding Redeye Missiles

PA1706205590 Hamburg DPA in Spanish 1924 GMT 17 Jun 90

[Text] Managua, 17 Jun (DPA)—Peasants in northern Nicaragua have charged that members of the Nicaraguan Resistance [RN] are stashing away many Redeye missiles and are turning over only rifles and some heavy weapons to the UN Observer Group in Central America (ONUCA).

Peasants in Matagalpa, 200 km north of this capital, asked some of the media not to disclose their names because they fear they may have problems with the contras later. They asserted, however, that the missiles are "green tubes" that the anti-Sandinists said they used to shoot down planes of the previous government.

The peasants reported that the contras have weapons buried in well-known places, and mentioned cases like Salomon Matute in Bocana de Malakawas and Juan Mendoza in the community of Lagarto Colorado, [word indistinct] Nicaragua.

In the meantime, it has been learned that the contras who have not gone to their respective security zones (for their demobilization by ONUCA under supervision by the International Support and Verification Commission) are rustling at least seven head of cattle daily.

The police in Matagalpa have reported the theft of 332 head of cattle, which are worth some 4.4 billion cordobas (in the parallel market, a U.S. dollar is worth 250,000 Nicaraguan cordobas).

Gustavo Tablada, [words indistinct] stated at parliament that the contras engage in rustling, which has been the subject of an investigation by the respective commission of the National Assembly.

Meanwhile, the contras who are active in southern Nicaragua have signed an agreement with the Chamorro administration to proceed to disarm and demobilize. They also agreed on 13 June to a cease-fire, which was to be verified "on site" by Cardinal Miguel Obando y Bravo.

The members of the RN's Southern Front who signed the agreement with the government are Jose Guerrero, chief of the General Staff; Ervin Barberena, "Commander Oscar"; Edgardo Molinares, "Commander Richard"; Marvin Salmeron, "Commander Chacal"; Raul Llanos; and Francisco Delgadillo.

The front, which has 2,500 armed men, was previously called the Democratic Revolutionary Alliance (Arde). Its top leader was Eden Pastora, who was in Managua several times during the latest election campaign.

During an operation by the Sandinist National Liberation Front in 1978, during Anastasio Somoza's time, Pastora assaulted and seized the Congress. The last time he was in Managua was during the electoral campaign, when he supported the opposition Social Christian Party, which did not get a single bench in the current parliament.

Correction to Radio Workers Demand Salaries

PA1406142490

The following correction pertains to the item headlined "Radio Workers Demand Salaries," published in the 14 June Latin America DAILY REPORT, page 16:

Column one, paragraph two, sentence one make read:...that in an arrogant manner, showing contempt... [supplying variant wording]

Argentina

Brazilian Foreign Minister Arrives for Visit

Collor To Visit 5 July

PY1406190090 Buenos Aires TELAM in Spanish 1820 GMT 14 Jun 90

[Text] Buenos Aires, 14 Jun (TELAM)—Brazilian Foreign Minister Francisco Rezek arrived here at 1445 today to begin a 48-hour visit to Argentina. He will meet with President Carlos Menem and his Argentine counterpart Domingo Cavallo.

Rezek was welcomed at the metropolitan airport by Foreign Minister Cavallo. The objective of his trip is to prepare for the visit Brazilian President Fernando Collor de Mello will make to Argentina 5-6 July.

Discusses Bilateral Integration

PY1506163690 Buenos Aires TELAM in Spanish 0025 GMT 15 Jun 90

[All quotation marks as received]

[Text] Buenos Aires, 14 Jun (TELAM)—Argentine Foreign Minister Domingo Cavallo and Brazilian Foreign Minister Francisco Rezek tonight agreed on the "possibility" of establishing a common market between the two countries as a prior step toward the goal of [words indistinct]. Cavallo indicated that this possibility, which is currently being studied by his Brazilian counterpart, could be made a reality during the official visit that President Fernando Collor will make to Argentina on 5-6 July 1990.

Rezek indicated that he supports the creation of a "group with ideological agreement on the foreign debt" made up of countries of the region, "although this question must be discussed bilaterally."

The two ministers gave a news conference at Government House after President Carlos Menem met with the Brazilian foreign minister, who went to the meeting with his entourage and Cavallo.

Asked whether Brazil supports bilateral or multilateral negotiation of the foreign debt with other countries, Rezek said: "We believe that there is presumably no fixed idea regarding the collective negotiation of the debt." He then stated that if the creditor countries "do not accept us as a group in negotiating the debt, then at least we would be a group with ideological agreement, although we must talk, must discuss this matter on the bilateral level."

The Brazilian foreign minister criticized the slowness of the negotiations that are going on for Latin American integration, saying that "what has been done toward that goal is very modest, very precarious, very timid." He said that "integration that begins with intense and solid bilateral cooperation could be an alternative which could produce a more rapid and concrete effect." He noted that "it could be Argentina and Brazil that start this trend; from that point larger structures could be implemented."

Cavallo reported that "we have achieved important agreements toward this goal, and it is quite certain that the announcements and formalization will be carried out when President Fernando Collor visits Argentina on 5-6 July. He stressed that "if Brazilians and Argentines are capable of advancing in that direction and achieving that ideal, then it will be feasible for South America and Latin America in general."

After indicating that there will be meetings between technicians and officials of the two countries this week, the Argentine foreign minister said the "final decisions cannot be or should not be expected before the Brazilian president's visit."

Concludes Visit

PY1606174290 Buenos Aires TELAM in Spanish 2350 GMT 15 Jun 90

[Text] Buenos Aires, 15 Jun (TELAM)—At the conclusion of a 2-day visit to Argentina, Brazilian Foreign Minister Francisco Rezek released a document in which he expressed support for the process of integration and cooperation between Latin American nations.

In the document, Rezek noted that he and his Argentine counterpart Domingo Cavallo thoroughly evaluated bilateral issues.

Rezek stated that the agenda included an analysis of the international situation and its implications in Latin America, especially in Argentina and Brazil.

The document added that the two ministers "analyzed the possible strategies for improving the position of both countries on the new international arena."

In his document, Rezek stressed that "there was broad agreement about the need to intensify bilateral consultations to coordinate the position of both countries at international forums."

Concering bilateral relations, the document stated that "the two foreign ministers reiterated their firm and permanent support for the process of integration and cooperation, which is a priority objective that is shared by the two countries, and they stressed the need to promote that process."

Minister Denies Discord Over Defense Sector

PY1606185690 Buenos Aires TELAM in Spanish 0058 GMT 16 Jun 90

[Text] Buenos Aires, 15 Jun (TELAM)—Economy Minister Antonio Erman Gonzalez this evening "categorically" denied that he disagrees with Defense Minister Humberto Romero about the privatization of the defense sector.

Gonzalez added that it was decided that the funds to be obtained from the sale of the petrochemical enterprises to the private sector will be earmarked—"in the first place—for meeting the needs of the Armed Forces," while other sectors like health, justice, and education will be considered secondary objectives for the use of such funds.

Gonzalez made these remarks at Government House after a Cabinet meeting, which was held in the absence of President Carlos Menem.

INDEC Releases Statistics on Trade Surplus

PY1706004090 Buenos Aires TELAM in Spanish 0301 GMT 16 Jun 90

[All figures as received]

[Text] Buenos Aires, 15 Jun (TELAM)—The National Institute of Statistics and Census (INDEC) today reported that Argentina had a $1.776 billion surplus in its trade balance during the first quarter of 1990. This surplus is 87.1 percent higher than in March 1989.

Exports totaled $2.692 billion during this period, with vegetables accounting for $674 million, food items for $412 million, and lard and oil for $307 million.

Argentina achieved a $837 million surplus in March, which is 183 percent higher than in March 1989, with exports of $1.14 billion and imports of $303 million. Imports dropped by 33 percent in March 1990; imports of supplies totaled $453 million in March 1989.

The leading buyers of Argentine products were: the USSR ($302 million); the United States ($282 million); Brazil ($250 million); and the Netherlands ($218 million). The leading exporters to Argentina were the United States, Brazil, and the FRG.

Estimates indicate that the surplus will be around $580 million in April, with a 51 percent increase over April 1989.

Pamphlets Supporting Seineldin Distributed in Capital

PY1606144290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 15 Jun 90

[Text] Buenos Aires, 15 Jun (NA) — Taking advantage of the presence of reporters at the apartment occupied by First Lady Zulema Yoma Menem, pamphlets with slogans supporting Colonel Mohamed Seineldin were distributed in the Buenos Aires neighborhood of Recoleta.

The pamphlets, which were written by the Action To Restore Argentine Community [Accion Restauradora Comunidad Argentina] (ARCA), were distributed to the reporters at the door of the building located at 1540 Posadas Street before some 10 members of the ANDES [expansion unknown] Foundation entered to visit Zulema Yoma.

The pamphlet is entitled "Argentina Changes" and is decorated with the colors of the flag. The most outstanding of the pamphlet's eight paragraphs lauds the performance of the commander of the Villa Martelli military rebellion.

The pamphlet indicates that "ARCA flies the banners of [Manuel] Belgrano, [Jose de] San Martin, [Manuel Ortiz de] Rosas [all Argentine heroes], [Juan Domingo] Peron, and of Evita [Eva Duarte Peron], banners that today the militant [words indistinct] represented by the distinguished Colonel Mohamed Ali Seineldin."

The first point contained in the pamphlet maintains that "ARCA emerges from the need to harmonize and unite the efforts of the various groups, organizations, and foundations that support the national cause."

It also states that "ARCA demands full sovereignty with economic development, with work for everyone and dignified salaries and without demagoguery and corruptions. All of this must be achieved immediately within a climate of seriousness and responsibility, and with a very strong moral obligation and national mystique."

Former Montoneros Chiefs Voice Support for Menem

PY1706010790 Madrid EFE in Spanish 2301 GMT 15 Jun 90

[Excerpt] Buenos Aires, 15 Jun (EFE)—Fernando Vaca Narvaja and Roberto Perdia, two longtime leaders of the now defunct "Montoneros" guerrilla group, today reaffirmed their support for Argentine President Carlos Menem's policies and rejected the use of violence in democratic countries.

Vaca Narvaja, 42, and Perdia, 48, are ranked second and third, respectively, in the hierarchy of the now defunct armed organization. Along with 62 other former guerrilla fighters, they were pardoned during the first 90 days of Carlos Menem's Peronist government. Vaca and Perdia said their support for Menem is not biased. Perdia said: "We have supported him since February 1988, when he began his campaign for the Justicialist (Peronist) primaries. We have been supporting him since that time."

In the opinion of the two Montoneros leaders, Argentina has hit bottom in the economic area and an effort should be made to prevent the disintegration process that results from the hunger of part of the population. They contend that what was formerly regarded as a farm for the world could be forced into a civil war over food. They added: "This is what happened in Rosario in May and June last year, when people were only fighting for food."

Vaca Narvaja—who lived in Spain, Italy, and Mexico when military governments ruled Argentina from 1976 to 1983—said that "growth is a revolutionary feat" in a country where there has been a negative investment rate over the past 20 years and in which there has been no

growth in 15 years. They thus reaffirmed their support for the "productive revolution" promoted by Menem.

Both Vaca Narvaja and Perdia denied being close to the Argentine Army's "painted-faces" sector, which is led by former Lieutenant Colonel Aldo Rico.

They also endorsed pardons for the former commanders of the military juntas that ruled the country from 1976 to 1973 and for Mario Firmeninch, leader of the Montoneros movement, who is serving two 30-year sentences for terrorism. They said the pardon is necessary to promote national reconciliation. They noted, however, that they and Firmenich are politically separated. Firmenich does not seem to favor the idea of giving unconditional support to the government. [passage omitted]

Mountain Infantry Brigade Commander Installed

PY1506143590 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2103 GMT 14 Jun 90

[Excerpt] Mendoza, 14 Jun (NA)—In a ceremony led by Brigadier General Jorge Norberto Apa, commander of the 4th Army Corps, Colonel Honorio Silvio Camporro was installed today as the new commander of the 8th Mountain Infantry Brigade. The ceremony was held at the Los Andes Army Sports Center in Mendoza in the presence of Vice Governor Arturo Lafalla, who is acting provincial governor.

Camporro replaces Colonel Orison Bustos, who had requested his retirement over "personal disagreements" with General Hector Martinez, deputy commander of the 4th Army Corps.

In one of his latest activities, Bustos yesterday installed Major Raul Abella as new commander of the High Mountain Rangers Regiment, replacing Major Jose Antonioni.

Gen. Apa minimized the episodes that resulted in the removal of Bustos and Antonioni and denied published reports which, according to him, "were distorted, in some cases, to incredible levels."

Bustos explained that the reasons that led him to request removal from the Brigade Command are "strictly personal." [passage omitted]

Coast Guard's Role in Fishing Matters Defined

PY1506212490 Buenos Aires BUENOS AIRES HERALD in English 15 Jun 90 Fishing Supplement p 3

[Report by "C.A.P."]

[Text] Law 17,500, known as "National Fisheries Law," states that the Argentine Coast Guard (PNA) is in charge of controlling and patrolling Argentine maritime resources which belong to the state.

The PNA carries out these preventive tasks with maritime and air patrols in coordination with a special system of communications.

This law also regulates trespassing and related offences, especially when foreign as well as national trawlers are detected operating in an unauthorized zone. In the case of foreign vessels, Article 12 of this law deals with two types of sanctions: fines and confiscation. The former ranges from 10,000 to 1,000,000 dollars or their equivalent in Argentine currency according to exchange rates at payment time. This norm sets sole liability for the payment of fines by owner of the offending vessel and empowers the PNA to place an embargo on the trawler at an Argentine port until the fine is paid. On the other hand, confiscation procedures include three aspects: Fishing products, equipment and the vessel itself. This sanction will be applied only in extremely serious cases, taking into account the frequency of transgressions, the number of vessels involved, the fishing methods employed, the volume and the species caught and the captain's attitude towards the vessel embargo.

Both fine and confiscation of fishing products are always applied together by the PNA after receiving the appropriate instructions from court authorities. Judicial authorities do not intervene in the case during the summary process until the corresponding sanction has been levied.

PNA decisions may be appealed within five days after the notification of the a sanction before the Federal Justice, except in vessel embargo cases which must be appealed before the Federal Administrative Appeals Court in the Federal Capital.

Bolivia

Cuba's Malmierca Arrives for Four-Day Visit

PY1606125290 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jun 90

[Excerpt] [passage omitted] Gustavo Fernandez Saavedra, minister secretary general of the Presidency, has mentioned the arrival in the country of Cuban Foreign Minister Isidoro Malmierca. Fernandez indicated that this demonstrates the plurality of Bolivia's foreign policy.

[Begin Fernandez recording] It is very, very important, and it demonstrates the plurality of our country's foreign policy and its relations with all the countries in the world, including Cuba, with which Bolivia has an old diplomatic and political tradition regarding relations. [end recording]

We should also note that Cuban Foreign Minister Isidoro Malmierca arrived last night in the country on a four-day official visit. Today and tomorrow the representative of President Fidel Castro's government will carry out formal activities that have been organized in his honor. [passage omitted]

Fuel Price Increases to Support Development

PY1606135090 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jun 90

[Text] Yesterday President Jaime Paz Zamora stressed that the increase in fuel prices was not a response to pressure from the IMF, but a sovereign decision of the government.

Before travelling to Tarija yesterday afternoon, the president chatted with Panamericana regarding the repercussions of the increase in fuel prices. He stressed that prices have not been increased to cover the budget deficit, but to help support the investment program of the state petroleum company [Bolivian Government Oil Deposits —YPFB] and to cover the matching funds for some credit lines granted by international organizations.

[Begin Paz recording] It has not be done to fill holes in the budget, and it is very important that the Bolivian people be aware of this fact.

It has been done to obtain a cash flow for Bolivia's matching funds for the credit lines we have obtained abroad. This credit will be used for investment and to create jobs. It was a problem that was giving us a headache. For example, the IDB [Inter-American Development Bank] has granted us a $50 million loan, but we have to put up 10 percent of that sum to move the money.

Therefore, this increase will be used, above all, to generate the cash for investment and for creating jobs. [end recording]

The government hopes that the people will act in a mature way in the face of this measure since the results will benefit the country because they guarantee economic stability, the chief of state added.

He stated that during its evaluation of the Bolivian economic program, the IMF submitted some suggestions regarding economic indicators and prices, but without imposition.

The president maintained that if the IMF had wanted it, the government would have followed its suggestions, but the price increases were instituted because, if they hadn't been, the country would have suffered the consequences of not obtaining the cooperation of the international organizations.

Bank President Views Negotiations With IMF

PY1406182590 La Paz PRESENCIA in Spanish 9 Jun 90 p 8

[Text] (ANF)—Yesterday, authorities and members of an IMF mission held long talks during an evaluation of the economic variables between October 1989 and March 1990.

At the end of the talks, Central Bank President Raul Boada said there is a good chance of the expanded facility agreement being renewed at the negotiations. This would entail the adoption of structural measures.

He reiterated the IMF mission's concern about the delay in approval of the laws on investment and on government control, which are known as the SAFCO [Administrative and Financial System for Government Control] laws. He noted, however, that the Bolivian authorities explained to the mission that the executive branch submitted the bills to Congress at the right time.

He deplored that the laws were not approved despite the fact that the patriotic agreement has a majority in Congress—largely because of obstacles raised by the opposition through the repeated questioning of ministers.

To expedite approval of the laws, President Jaime Paz Zamora met with Chamber of Deputies Speaker Fernando Kieffer and with Senate Speaker Gonzalo Valda on the morning of 7 June.

We have reiterated to the IMF that the government is willing to continue working with the targets of the expanded facility programs, Boada said. He added that this would imply, among other things, a reduction in the state apparatus and the adoption of appropriate policies to control the issuance of money and the inflation rate.

Boada reported that meetings with the IMF mission will continue until early next week, and a final agreement is expected by that time.

As for the analysis of economic variables, he explained that if one is changed, the others should also be modified.

Despite slow work, we are moving forward, the Central Bank president said.

Finance Minister David Blanco said yesterday that as a result of the IMF's evaluation of economic variables, the government will have to adjust some public utily rates to a policy of "real prices" designed to increase fiscal income.

The government will continue to implement a policy of reducing public spending, restructuring the state, and promoting investment, particularly of foreign and internal private capital.

Senator Farah on Withdrawal of DEA Agents

PY1606040690 La Paz Television Boliviana Network in Spanish 0030 GMT 16 Jun 90

[Text] Carlos Farah, chairman of the Senate Defense Committee, has said that the United States must understand that the Bolivian Government is waging its anti-drug struggle honestly and to the best of the country's ability.

[Begin Farah recording] It would seem....[changes thought] We cannot be asked to do more than we are

already doing because we are doing it honestly, earnestly—firmly convinced that we oppose drug trafficking and that we are doing everything we can to fight it.

The decision of the U.S. Government to withdraw the DEA [Drug Enforcement Administration] from Bolivia and Peru may have been prompted by the refusal to satisfy their outrageous claims. I do not believe that this will make Bolivia change its attitude and it may have an effect only as far as the U.S. economic assistance to this struggle is concerned. [end recording]

Minister Says 'No Progress' in Kidnapping Case

PY1606233590 Buenos Aires DYN in Spanish 1850 GMT 16 Jun 90

[Text] La Paz, 16 Jun (AFP)—Interior Minister Guillermo Capobianco admitted today that no progress has been made in the investigation to locate Jorge Lonsdale, president of the Coca-Cola branch in Bolivia, while the Lonsdale family has denied receiving a ransom demand.

Capobianco said that, based on the investigations, Bolivian officials believe this is a case of "kidnapping for ransom." The Lonsdale family, however, has flatly denied a report claiming that the kidnappers had demanded a $2-million ransom.

This report was published by the La Paz morning newspaper LA RAZON. Lonsdale, a 64-year-old Bolivian citizen, is a member of the newspaper's board of directors. He is also a member of various other companies and president of Bolivar, the popular La Paz soccer club.

Lonsdale was kidnapped on 11 June on his way to his Coca-Cola office by a group of five people, among them a woman. No one has yet claimed responsibility for the kidnapping.

Upon admitting that "no progress" has been made in recent hours, Capobianco said: "There is no reason to believe that the kidnappers are foreigners."

Capobianco confirmed that advisers "from other geographical areas" are participating in the investigations. He declined, however, to state where they are from.

General Felipe Carvajal, chief of the National Police, has reported that three suspects who were arrested on the night of 12 June in Oruro were already released because they were able to prove that they had nothing to do with it.

Brazil

Dismissed Governer Alberto Refuses To Leave

PY1606160090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Jun 90

[Excerpt] There is an unprecedented crisis in Maranhao: The state has two governors. The 22 state deputies decided to declare vacant the post of Governor Joao Alberto de Souza, designating Deputy (Ivar Saldanha), who is the Legislative Assembly president, to the post.

The decision was made on the grounds that Governor Joao Alberto de Souza forfeited the post of vice governor when he assumed the post of (Pacabal) mayor and that he illegally assumed the post of state governor with the help of a court decision.

After the deputies made their decision, Governor (Saldanha) signed his first resolutions. At the same time, from the Palace of Lyons Joao Alberto de Souza called heavily armed military police to surround the Palace, closing with police patrol cars the avenues and streets leading to Pedro II Avenue, where the palace is located.

Joao Alberto de Souza has announced on television that he does not accept the Legislative Assembly decision and that he will take the matter to court. [passage omitted]

60 Arrested as Sharecroppers, Soldiers Clash

PY1506150090 Madrid EFE in Spanish 1329 GMT 15 Jun 90

[Text] Cruz Alta, Brazil, 15 Jun (EFE)—The Brazilian press has reported today that two persons were wounded—one of them by a shot in the head—and 60 persons arrested as the result of a confrontation between soldiers and sharecroppers in the southern municipality of Cruz Alta, 368 km northwest of Porto Alegre.

Lieutenant Colonel Edison Padilha, commander of the Rio Grande do Sul military brigade in that municipality, stated that they "arrived firing their guns, and the soldiers reacted." It seems that the sharecroppers had planned to establish a camp in a public park.

The military authorities accused Ivo de Lima, who was wounded in the head by a bullet, and two other sharecroppers who were with him of using firearms. The 60 persons who were arrested were accused of carrying 29 scythes, 15 large knives, 13 hoes, and wooden truncheons.

The sharecroppers stated that "the military ambushed us to see whether we were carrying weapons." They are part of a group of 70 people who have been temporarily settled on a government ranch. They have been protesting a lack of food.

Nelson Graselli, one of the leaders of the sharecroppers movement, added that "no one had weapons, and the soldiers wanted to take us by force to the park to register us." For months now these sharecroppers have been asking that they be assigned land.

Cruz Alta Mayor Fluvio Bellwanger, who obtained a court order to disarm the sharecroppers and send them back to the Boa Vista Ranch, accused them of being political agitators.

Record May Trade Shows $1.725 Billion Surplus

PY1606011390 Brasilia Domestic Service in Portuguese 2300 GMT 15 Jun 90

[Excerpt] The Brazilian trade balance for May shows a surplus of $1.725 billion, which represents a 24.8 percent increase compared to May 1989. This is the highest trade balance surplus since June 1989.

Brazilian exports amounted to $3.228 billion, which is the best ever result for the month of May. Imports amounted to $1.503 billion, the largest volume since May 1983. [passage omitted]

Bank Negotiations Could Delay Satellite Contract

PY1506151690 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 90 Economic Section p 1

[Report by Aluizio Maranhao]

[Text] The Brazilian Government has rejected the 11 percent spread that the French Credit Lyonnais Bank wants to charge on funds to finance part of the launching cost for a new series of Brasilsat satellites as the interest is too high. Consequently, the contracts with Arianespace—responsible for launching the satellite—and with the U.S. Hughes group, which submitted the winning offer to build the satellite, may be delayed. The contracts are scheduled to be signed on 21 June.

The deadlock in the negotiations between the Central Bank and the Credit Lyonnais Bank may cause problems for the Brazilian communications system. In January 1993, when the technical reliability of the current satellite will begin to decrease, the new Brasilsats will not yet be ready for operation by Embratel [Brazilian Telecommunications Company]. The project has an 11-month delay.

The Central Bank did not agree to the financial terms and asked the French bank to adopt the five percent spread that the U.S. Eximbank will charge on the funds that will be used to finance the manufacturing of the satellites. The French reduced the spread from 11 to eight percent, but the Central Bank refused to close the deal.

3.8 Trillion Cruzeiros Reported in Circulation

PY1506135290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 90 Economic Section p 3

[Excerpt] Brasilia—According to data released on 13 June by the Central Bank on last month's method of payments, the conversion of new cruzados to cruzeiros between 19 March and 31 May amounted to 3.2 trillion cruzeiros. Of the 3.2 trillion cruzeiros, 2.8 trillion were the result of conversions that were originally provided for in Provisional Measure 168; barely 360 billion came from the options that were provided by the government.

Counting the injections of cruzeiros that the Central Bank made to adjust the internal market exchange rate and the conversions that resulted from profits obtained from money that was frozen in the banks after the implementation of the Collor Plan, the total amount of money that was circulating in the economy as of 31 May amounts to 3.8 trillion cruzeiros. [passage omitted]

Government Reportedly Slashes Dismissal Number

PY1406155090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jun 90 p 1

[Text] The government has reduced the total number of public employees to be dismissed within the framework of the administrative reorganization by two-thirds. Federal Administration Secretary Joao Santana has reported to some ministers that only 120,000 employees will be dismissed instead of 360,000. Congressmen—several of whom are linked to the government—oppose the dismissals because they are interested in preserving their voter support. The state machinery itself has also boycotted the dismissals. Justice Minister Bernardo Cabral has accepted the CUT [United Federation of Workers] demand that the decision on dismissals be submitted to a committee of workers, businessmen, and government officials, who will discuss the administrative reorganization.

The countrywide strike by the banking sector, which began yesterday, was only partially observed.

Police Chief Wants Antidrug Agreement Reviewed

PY1506175890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Jun 90

[Excerpt] Federal Police Secretary Romeu Tuma will request Itamaraty to speed up a review of an agreement on the fight against drugs signed between Brazil and the United States.

The agreement provides for the exchange of information and bilateral action in fighting drug trafficking whenever reciprocal interest is involved. Delegate Romeu Tuma explained how U.S. agents have cooperated with Brazil in fighting drug trafficking.

[Begin Tuma recording] The United States has the DEA, a specialized organ that has five agents stationed in Brazil. Five agents are not enough to cover the field. Like Canada and other interested countries, the U.S. agents have followed the procedures of the Brazilian Federal Police, and they have provided us with information, just as we have provided them with information. Drug trafficking does not recognize border lines. [end recording] [passage omitted]

Cocaine, Traffickers Seized En Route to Europe

PY1606151490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Jun 90

[Text] The Federal Police have seized almost 6 kg of cocaine at Galeao airport. The drug was being carried by two Chileans, who can be sentenced to more than 20 years in prison.

Rio de Janeiro Federal Police adviser (Giovane Azevedo) has said that the trafficking of drugs to Europe via Rio de Janeiro is worrysome. Thus far this year, 46 kg of cocaine have been seized at Galeao airport.

The traffickers came to Brazil on the same flight and stayed in the same hotel room. They said that they got to know each other here. Victor Claudio Pineiro Miranda, 29, and Jaime Lopez Espinoza, 48, were carrying drugs worth 4.5 million cruzeiros.

(Azevedo) said that the Federal Police are concerned because this is not the first time that traffickers have come to Rio de Janeiro to pick up drugs. He said that the police want to know how the drugs are being brought to Rio de Janeiro.

[Begin (Azevedo) recording] The Federal Police are concerned about the issue and are trying to learn how the cocaine is being brought to Rio de Janeiro and who is bringing it. Our investigation has revealed that the cocaine trafficking organization operates not only in Brazil but all over Latin America. As soon as the Federal Police discover the drug connection, we will find out whether this is an international drug ring or a gang that operates only in Rio de Janeiro, receiving cocaine and sending it abroad. [end recording]

The traffickers were to have taken a flight to Milan to deliver the drugs. They are being held at Federal Police facilities and may have to serve up to 22 years in prison.

Strike May Cause Power Outage in Central, South

PY1606014490 Brasilia Domestic Service in Portuguese 2300 GMT 15 Jun 90

[Excerpts] The power company workers strike could cause a power outage in eight central and southern states. The power company workers' trade union of the State of Sao Paulo is threatening a total paralyzation. Although there has been a conciliatory audience at the regional labor court, the workers and managers did not reach an agreement. The power company workers want the company to respect the collective labor agreement and begin negotiations for the compensation of salary losses as a consequence of inflation which is estimated at around 180 percent [no time span given].

Meanwhile the chief of presidential Military Household has ruled out the possibility of a power outage in the center-south states.

Army Minister Carlos Tinoco, Labor Minister Antonio Rogerio Magri, Secretary for Strategic Affairs Pedro Paulo de Leone Ramos, and Military Household Chief General Agenor Homen de Carvalho are now holding a meeting in Government House to discuss the strike staged by the FURNAS [Furnas Electric Power Plants, Inc.] workers. [passage omitted]

Gen. Agenor Homen de Carvalho has confirmed that the meeting is being held to discuss the FURNAS workers' strike. He said that the government will apply the Constitution, and that he does not believe that a blackout [preceding word in English] will take place in the center-south region of Brazil.

[Begin Carvalho recording] No, that will not happen. Brazil is living through a phase that requires sacrifice from all the people. [Words indistinct] will be overcome given the priority interests of the country. [passage omitted] [end recording] [passage indistinct]

* Engineers Aid Iraq in Manufacture of Missile

* Piranha-Type Missile Technology

90WP0090X Sao Paulo VEJA in Portuguese 16 May 90 p 53

[Text] This past Sunday the 13th, three Brazilian engineers had reserved seats on a flight to Baghdad, Iraq. Their purpose: to round out the task force working in a secret project involving construction of a missile that will equip the Iraqi Air Force with technology from the Brazilian Government. In Baghdad, a group of scientists is trying to produce a version of the Piranha missile, which was originally supposed to be carried on the Brazilian Air Force's AMX fighter planes but never got past the prototype stage. The first 23 engineers—all of whom formerly worked for the Orbita rocket firm in Sao Paulo or the CTA [Aerospace Technology Center]—were hired by the HOP [expansion unknown], a firm owned by one of the country's best known researchers, Air Force General Hugo Piva, former director of the CTA, and arrived in Baghdad last November. There they earn about $6,500 per month, live with their families in a guarded apartment hotel in the center of town, and work at a military installation on the outskirts.

In Brazil, the Ministry of Aeronautics stopped financing and then stopped buying Piranha missiles for good at the end of 1988, when the equipment was ready to enter the assembly line. In March of last year, Gen. Piva, who by then was in the reserves, approached then Minister of Aeronautics Octavio Moreira Lima with a plan for exporting the Piranha team to Iraq. The Baghdad government was prepared to pay the Brazilian Government $10 million for the computer programs (software) developed by the CTA along with all the designs and plans for the missile. According to Piva, Moreira Lima liked the idea and gave him the "green light" to proceed with the plan provided that it was done through a private contract and did not involve the government. Moreira Lima denies it. "That is an invention by Piva," says the former minister. "The government knew about the negotiations, but never participated in them." The fact is that so far, the Iraqi Government has been unable to close the deal for purchasing the software, and the team is now trying to do the whole thing over in Baghdad.

Atomic bomb—"We could not let a team of scientists of that caliber become scattered with nothing to do," says Gen. Piva. "In two or three years, they will return to Brazil to build an even more advanced missile." The design of the Piranha, which has a range of five km and

carries 12 kg of explosives, was copied after that of the best selling missile in the world, the U.S. Sidewinder. The Iraqi version of the Piranha is supposed to be able to pursue enemy fighter aircraft by homing in on the heat from their turbines and also to deceive devices designed to detect missiles of its type. The government spent over $50 million to design the Piranha and would have spent another $70 million to mount it on the AMX fighters. In Moreira Lima's opinion, it would be cheaper to buy dozens of Sidewinders or French Exocets at $100,000 each.

The Piranha might give Iraq, which is in permanent conflict with its Middle Eastern neighbors, its chance to produce a reasonably modern missile. President Saddam Husayn's government, which is having difficulty buying sophisticated weapons from the West and was recently caught trying to smuggle nuclear detonators through the London airport, has been using pirate firms to hire hundreds of foreign scientists to set up its own arms industry. And it makes no secret of the fact that its ultimate goal is to build an atomic bomb. Husayn went on Iraqi TV last week to announce that he had finally obtained his detonator secretly by smuggling it from the United States and that using it as a sample, his technicians had made a few more like it.

It does no good to have atomic bombs unless one also has missiles capable of carrying them long distances—and the Piranha is no good for that purpose. It happens that the Brazilian team now in Baghdad is essentially the same one that developed the Brazilian Air Force's project for a "Big Piranha" capable of delivering a nuclear warhead to a distance of 1,000 km, a project that resulted in Piva's coming to be nicknamed the "Brazilian Von Braun"—a reference to the scientist who designed rockets for Hitler and then became the father of the U.S. space program. But that project never got off the drawing board. It is suspected that another Brazilian team in Baghdad recently improved a Soviet medium-range missile for Husayn—and that the new version is large and powerful enough to carry a nuclear warhead. The Brazilian Ministry of Aeronautics has no restrictions that would keep Brazilians from engaging in technological research abroad, but if it discovers that the missile being produced for Iraq is indeed the Piranha, it will consider prosecution on a charge of stealing technology.

* Investigation Under Way

90WP0090Y Rio de Janeiro O GLOBO in Portuguese 16 May 90 p 3

[Text] Sao Jose dos Campos, Sao Paulo—The minister of aeronautics, Air Force General Socrates Monteiro, took personal charge yesterday of all information and all measures relating to the investigation of the the sale of services to Iraq by a team of engineers specializing in the design and development of missiles. The minister telephoned all the member of the ministry's High Command and told them that from that point on, only he would be authorized to make statements on the subject.

In all the FAB [Brazilian Air Force] circles contacted yesterday, the prevailing opinion was that the sale of those services would result in the transfer of sensitive technology and of information classified as secret and that the deal was situated in a "gray zone." That interpretation indicates the difficulty of proving any possible leaks to Iraq of designs and software for the Piranha air-to-air missile. It also indicates the difficulty of interpreting the matter from the legal standpoint, although the implications with respect to the security of military intelligence are obvious.

Some military men said that Gen. Hugo Piva, who owns the consulting firm that sold services to Iraq, might have been resentful of the fact that the FAB abandoned the missile.

* Additional Suspected Involvement

90WP0090Z Rio de Janeiro O GLOBO in Portuguese 17 May 90 p 7

[Text] Sao Paulo—Major General Hugo de Oliveira Piva of the Air Force Reserve and his HOP [expansion unknown] consulting firm are not alone in being suspected of transferring technology for the manufacture of missiles to the arms industry in Iraq. For the past year, employees of Embraer [Brazilian Aeronautics Company] and Orbita Aerospace Systems have been providing the Baghdad government with services in the areas of aerodynamics, structural and flight testing, trajectory control, on-board electronics, and propellants.

A group of experts from Embraer went to Baghdad a week ago to continue development of a missile guided by sensors that detect infrared radiation—waves of heat emitted by aircraft turbines. That missile will be similar to the Piranha developed by the Aerospace Technology Center. They are also there to improve the performance of the Soviet Scud missiles used by Iraq. Those engineers joined others from Orbita who had arrived in the country in mid-February with Gen. Piva at their head.

According to information from military sources, the Brazilian group working for the Iraqi military industry numbers far more than the 26 engineers hired by Gen. Piva. Executives at the firms connected with those deals could give no explanation of the matter. At Orbita, Deputy Chairman Vito Di Grassi had left word that he would not talk to the press. The head of Embraer and Orbita, Ozilio Carlos da Silva, spent the day in meetings and did not give out any information.

Chile

Government Disagrees With Army View of 1973 Coup

PY1606154690 Madrid EFE in Spanish 0249 GMT 15 Jun 90

[Excerpts] Santiago, 14 Jun (EFE) — Today Interior Minister Enrique Krauss indicated that the Chilean Government does not share the Army's opinion about

the 1973 coup d'etat. The Army considers that the overthrow of then President Salvador Allende was a military war operation.

During a news conference at La Moneda Palace, Krauss said: "It is not appropriate to continue debating whether or not there was justification for the (11 September) 1973 and using it to justify the excesses."

Krauss indicated that history will say whether a war existed in 1973, and he reiterated that, regarding the matter of human rights violations at that time, "abuses" were committed.

The interior minister stated that the executive branch "accepts the Army's declaration positively when it reaffirms its desire to cooperate with the government in the exalted purpose of strengthening national unity and in consolidating a full democracy."

Andres Zaldivar, president of the Christian Democratic Party (PDC, a member of the government coalition), read an official declaration of his party that indicates the party's "disagreement with the basics of and the way" the Army document was written. The Army disseminated its document on 13 June. [passage omitted]

Meanwhile, it was reported in Iquique, 1,857 km north of Santiago, that on 15 June the bodies of 15 of the 20 of the executed persons that have already been identified will be handed over to their relatives. The funerals will take place on 16 June.

Interior Minister Enrique Krauss, Secretary General of Government Enrique Correa, Justice Minister Francisco Cumplido, and Education Minister Ricardo Lagos will represent the government at the funerals.

Minister Correa Comments

PY1606031490 Santiago Domestic Service in Spanish 2300 GMT 15 Jun 90

[Text] Enrique Correa Diaz, minister secretary general of government, today reiterated the government's commitment to life and to the reconciliation of the country. He made these remarks in the course of a news conference at which he reviewed this week's events. He began by stating that on 16 June the interior, justice, and education ministers and the minister secretary general of government will go to Pisagua to attend the burial of bodies found in the area. Corea added that the government has a positive impression of certain events:

[Begin Correa recording] The government has a positive impression of several events that happened this week. Even though the administration does not share the interpretation of the events that took place in 1973 that the Army has made in its communique, it believes that the main thing is not to debate about the past but to look into the future. Thus, we praise the Army's willingness to find out the truth about what has happened, to supply the information that the government has requested and to contribute to the quest for peace, national unity, and democratic reconstruction. [end recording]

Speaking on behalf of the administration, Minister Correa also publicly thanked the Catholic Church for its moral support of the nationwide quest for truth. He also acknowledged that although the people must face painful facts there is an atmosphere of agreement.

[Begin Correa recording] We should not forget that the atmosphere of agreement prevails regarding other national affairs. An example is the Senate approval of the tax reform through the national accord on priorities regarding social expenditures that the president announced, first himself and then through the minister of finance.

We believe that the country is moving forward, that the administration has the support and trust of business and labor sectors for the implementation of its economic policies. I believe that the nation is appreciative of the responsible manner in which the administration addressed social priorities within the budgetary restrictions that the nation is aware of. Thus, the country is not anchored to the past and the administration and the president of the nation feel that they are at the helm of a country that is surging forward. [end recording]

During the news conference, Communications and Culture Secretary Eugenio Tironi said it is not true that the directors of Santiago Domestic Service have been replaced. He said that there are studies underway to straighten out the economic affairs of the organization and to set up a board where all sectors of the nation will be represented to guarantee an independent medium.

Talking about the recent Army communique, Minister Enrique Correa said the administration prefers such matters to be dealt with through the customary internal channels.

Army Denounces Censure Campaign Over Pisagua

PA1406223690 Madrid EFE in Spanish 1728 GMT 14 Jun 90

[Text] Santiago, 14 Jun (EFE)—Magistrate Hernan Sanchez, who has been tasked with investigating the discovery of the remains of executed political prisoners that were buried in clandestine common graves in northern Chile, has ordered the verification of a report by a fisherman who claims he saw the remains of 20 people at sea.

According to his report, the remains and the chains and metal bars used to tie the bodies can be found off the coast of Pisagua, 1,909 km north of Santiago.

Fisherman Eduardo Pichanao said that there are at least 20 human skulls and many skeletons at the discovery site, seven km north of the former Pisagua Camp for political prisoners.

After the 11 September 1973 military coup, thousands of opponents of the regime of General Augusto Pinochet were arrested and sent to concentration camps in various parts of the country, including the Port of Pisagua.

The first clandestine grave, which was discovered in Pisagua two weeks ago, contained the remains of 20 people who had been blindfolded, machine-gunned, and placed in bags.

Ten of the bodies were identified as political prisoners who were quickly executed in late 1973, and five others as presumed drug traffickers who had been released, according to Pisagua Camp records.

The magistrate in charge of the investigation on 13 June took the deposition of Ivan Zamora Ordenes, former mayor of the Pisagua Prisoners Camp during the months that followed the military coup. Zamora confessed that there are more clandestine graves in the area and drew a sketch of places where they might be found.

The remains of the identified, formerly missing detainees will be buried on 16 June at the Port of Iquique Cemetery, 1,860 km north of Santiago, in a ceremony that will be attended by Interior Minister Enrique Krauss and Government Secretary General Enrique Correa, who will represent President Patricio Aylwin.

The so-called case of the skeletons has caused commotion in the country and for the third week in a row continues to be the subject of front page news in all the newspapers.

Meanwhile, the Army, in an unusual public statement, denounced yesterday an alleged campaign to discredit it and added that there was a domestic state of war in 1973.

The Catholic Church called for the acceptance of the truth, because the unjustifiable cannot be justified.

JJCC Demand Pinochet's Resignation

PY1606145690 Santiago Domestic Service in Spanish 1100 GMT 16 Jun 90

[Text] Representatives of the Communist Party of Chile Youth Faction [JJCC], headed by General Secretary Edgardo Diaz, went to the Diego Portales Building to discuss the discovery of human remains in Pisagua and Colina with Defense Minister Patricio Rojas.

However, the Communist youth were unable to do so because Minister Rojas was not there. It was disclosed that the defense minister is currently visiting the Antarctic zone with Air Force Commander General Fernando Matthei.

Nevertheless, the Communist leaders delivered a document reiterating their opposition to General Augusto Pinochet's remaining as Army commander.

[Begin recording] [Unidentified speaker] He continues to head a powerful institution which, according to the laws for the perpetuation of military power and the constitution, has military tutelage over the democratic government. We find it impossible that there should still exist a power parallel to the democratic government elected by the entire Chilean people on 14 December 1989. [end recording]

In the declaration the JJCC also requests clarification of the incident which resulted in the death of Corporal Miguel Nash who was executed in Pisagua for refusing to fire his weapon against his fellow countrymen.

Toro Denies Intention To Defame Army, Pinochet

PY1406143290 Santiago Domestic Service in Spanish 1130 GMT 14 Jun 90

[Text] General Horacio Toro, retired, director of the Investigative Police, has said that he never meant to discredit the dignity of the Army high command nor the Army's prestige, because he received his professional training at this institution. Gen. Toro also said that he respected General Augusto Pinochet's decision—based on rights granted to him by the Constitution—to continue as Army chief of staff.

After submitting a document with these remarks, Gen. Toro made no further comments. He did not confirm nor deny rumors on his possible resignation.

Military Council Responds

PY1506171490 Santiago Domestic Service in Spanish 1100 GMT 15 Jun 90

[Report by Mario Vielma Leon]

[Text] The Army Military Council has responded to the comments made by Investigative Police Director General Horacio Toro. In view of the comments by Army General Horacio Toro Iturra, retired, director of the Chilean Investigative Police, the Army Military Council—which is made up of all Army generals—has officially answered the criticism of the institution and its chief of staff. The text of the official communique issued by the Army Public Relations Department states:

Santiago, 13 June 1990. In view of the serious, groundless, and unusual comments about the Army and its chief of staff made by Brigadier General Horacio Toro Iturra, director of the Chilean Investigative Police, during an interview with a state-owned television channel, the Military Council—which is made up of all Army generals—has agreed to:

1. Express its most absolute rejection of the comments made by the Investigative Police director, because they clearly show disrespect for one of the most fundamental institutions of the Chilean nation;

2. Clearly assert that this attitude is inappropriate for a general who was once a member of the Army and who says that he feels honored to belong to a family with a military tradition and to have many relatives who are still active members of the Armed Forces;

3. Point out that it is strange to hear that type of comment from a person who was dismissed during the Popular Unity Administration from the command of 7th Cavalry Regiment for having expressed his absolute disagreement with the Marxist-Leninist administration, a person who took part in the 11 September 1973 coup that freed the country, and who then became a member of the highest advisory organization that assisted the Junta in ruling the country after the coup;

4. Call the attention of the appropriate authorities to the fact that the head of an organization of the ministry in charge of national defense cannot criticize an official who remains in a position that is accorded him by the national Constitution;

5. The Military Council regrets that a former member of the Army can thus violate the fundamental values and principles of a soldier. The Council also deems it imperative that the institution implement all the legal and regular disciplinary measures against General Toro.

This is the public declaration released by the Army Military Council in response to Investigative Police Director General Toro's comments in a television interview.

Group Expels Toro

PY1606153690 Santiago Domestic Service in Spanish 1100 GMT 16 Jun 90

[Text] The Retired Generals and Admirals Corps has decided to expel current Investigative Police Director Horacio Toro.

It was noted that the decision was made in response to Toro's comments on the Army and on General Augusto Pinochet's decision to remain commander in chief of the Army.

The secretary of the Corps Executive Board, chaired by Air Force Retired General Carlos Guerraty, said that the board finds it odd that many of those who previously praised the Armed Forces' achievements now gang up with their ancient adversaries to try to discredit the achievements of the Armed Forces government.

The declaration goes on to point out that the Armed Forces do not have the legal means nor is it their duty to make political commentaries or engage in polemics over certain events, currently considerered despicable. The declaration adds that those events require prudent and calm study to determine the overall and particular circumstances experienced as a consequence of the institutional crisis that, at the time, was recognized by many who today forget those tragic moments.

The declaration then states that revanchism and unbridled passion could hinder development and the process implemented a few years ago.

The declaration ends by stating that the decision to expel current Investigative Police Director Horacio Toro was made by the Executive Board of the Retired Generals and Admirals Corps.

CPPD Will Support Legalization of PCCh

PY1606160890 Santiago Domestic Service in Spanish 1100 GMT 16 Jun 90

[Text] Jorge Schaulsohn, deputy for the Coalition of Parties for Democracy [CPPD], disclosed that the party will publicly support the legalization of the Communist Party of Chile [PCCh].

[Begin Schaulsohn recording] Tomorrow, on behalf of the CPPD, I am going to publicly voice support for the PCCh's legalization because we believe the legalization of all political parties representing significant sectors of our society is necessary for the democratic process, regardless of the differing political and ideological points of view. The fact is that everyone should participate under equal terms in a democratic system. [end recording]

Schaulsohn said that the CPPD will also express support for any other political party that supports the democratic process, regardless of their ideology.

The CPPD leader also added that there has never been a civil war in Chile because, in his opinion, the people were never armed.

Allamand Criticizes Government's Double Standard

PY1606033890 Santiago Domestic Service in Spanish 2300 GMT 15 Jun 90

[Text] Andres Allamand, secretary general of the National Renewal Party [PRN] has stated that the administration applies an unacceptable double standard in their approach to the past and the present of the country. He expressed concern over the fact that Interior Minister Enrique Krauss and the Christian Democratic Party [PDC] have rejected the reasons that the Army has given for taking action in 1973.

Allamand stated that considering the situation prevailing in the country in 1973, the events that took place then must be viewed objectively and logically, which does not mean accepting actions which have no moral justification whatsoever. He added that the administration's definition of the past is paradoxical, strange, and unacceptable.

According to Allamand, the government labels as past all that has happened in Chile before 1973 leaving it for history to pass judgment. Allamand added that as far as the administration is concerned the present begins on 11 September 1973, although the events took place almost 20 years ago, and it believes that they should be examined from the perspective of 1990 without taking into account the circumstances that surrounded these events.

Allamand labeled this approach as an unacceptable double standard by which the responsibility of those who caused the military uprising is ignored while those who took action when the nation's integrity was being threatened are measured with a different yardstick.

[Begin Allamand recording] Interior Minister Krauss' and the PDC's refusal to accept the reasons that the Army has given for its military action is a source of concern. It is obvious that some of the PDC leaders are going back on what they have said in the past. Worse still, they want to rewrite history and this is an underhanded way of deceiving the people.

Chilean society must not merely know the truth but also accept it. To accomplish this all those who are demanding the truth should help to make it the whole truth. [end recording]

Allamand concluded by asking whether it is so difficult to admit something that everyone knows about; whether the left can deny that it brought in and supported political violence in Chile in the mid-sixties; whether the PDC can ignore the fact that the state of law and justice was undermined during its prior administration and that in 1973 this party had supported the military coup.

The PRN secretary general said that the path toward reconciliation will be blocked unless all Chileans are prepared to honestly and courageously accept their responsibility.

Human Rights Demonstrators 'Repressed'

PY1606040290 Santiago Radio Cooperativa Network in Spanish 2300 GMT 15 Jun 90

[Text] Groups of demonstrators shouting slogans against the previous military regime were repressed today in areas of downtown Santiago by Carabineros. The demonstrators were protesting against the previous military regime after common graves were found with remains of people who were executed by the Army in 1973.

The incidents, which lasted more than three hours, occurred when demonstrators, holding signs alluding to the victims of the Pinochet regime, clashed with Carabineros who used antiriot equipment.

Police sources reported that there was no one injured or arrested during the clash.

Colombia

Barco Makes Changes in Top Military Structure

PA1706014690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 16 Jun 90

[Text] Bogota--The changes in the military command came as a surprise for the different sectors of society, as the current administration will end in barely six weeks. President Virgilio Barco decided to retire the commanders of the Armed Forces and the Air Force.

In accordance with Decree No. 1268, signed by President Barco and National Defense Minister General Oscar Botero Restrepo, General Luis Eduardo Roca Maichel was appointed commander of the Armed Forces, replacing General Nelson Mejia Henao. The new Army commander is General Manuel Alberto Murillo Gonzalez, replacing Jesus Armando Arias Cabrales, and the new Air Force commander is General Manuel Jaime Forero Quinonez, replacing Alfonso Amaya Maldondo.

In Decree No. 1269, the government appointed Vice Admiral Carlos Ospina Cubillos as new chief of the Joint Chiefs of Staff.

The new deputy commander of the Army is Mayor General Farouk Yanine Diaz, the deputy commander of the Air Force is General Hernando Monsalve Figueroa, and the deputy commander of the Navy is Vice Admiral Gustavo Adolfo Angel Mejia.

The reshuffling of the military commands took the military's top brass by surprise, and it is believed the changes came about following a meeting held on the afternoon of 15 June between National Defense Minister Gen. Botero Restrepo and President-elect Cesar Gaviria Trujillo.

Confirmed in the new command lineup were National Defense Minister Gen. Botero Restrepo, Vice Admiral Jose Edgar Garay Rubio as commander of the Navy, and National Police Director General Miguel Antonio Gomez Padilla. The most surprising change was the new chief of the Joint Chiefs of Staff, a position bestowed on a vice admiral of the Navy. The appointment makes him second in command of the country's military forces.

Atlantico Police Arrest Suspected Trafficker

PA1606194190 Madrid EFE in Spanish 1840 GMT 16 Jun 90

[Text] Bogota, 16 Jun (EFE)—Colonel Gustavo Socha, the Atlantico Department police commander, reported the arrest today of alleged drug trafficker Salomon Shuster Benitez, 49, in Barranquilla. U.S. authorities have a pending request for Shuster Benitez' extradition. According to Commander Socha, the alleged drug trafficker used a leather goods factory to export cocaine to the United States. The police reported that Shuster moved drugs from Colombia to Panama, the United States, and Italy.

Colombian officials noted that the drug trafficker is a member of the Atlantic Coast Cartel. This organization is a branch of the Medellin Cartel, the most important cocaine processing and distributing organization in Colombia and one of the biggest in the world. Police spokesmen reported that Salomon Shuster will be transferred to Bogota in the next few hours. Shuster will then be officially notified of the pending extradition request by U.S. courts.

A total of 15 alleged drug traffickers have been turned over to the United States since President Virgilio Barco's administration declared total war on the drug mafias in August 1989. The last person extradited was Fernando Gutierrez Perez on 26 March 1990. Shuster Benitez is added to a list of 16 alleged mafiosos who await extradition to the United States. Once Shuster has been notified in Bogota of the pending extradition request, he will have five working days to appeal the request.

EPL Voices Support for Talks With Government

PA1506171990 Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Jun 90

[Text] The peace process implemented by President Virgilio Barco with the EPL [Popular Liberation Army] is making progress, since that group has released four cattlemen it had kidnapped and is moving to areas where the EPL forces are to concentrate. Bernardo Gari, a member of the Advisory Board for Peace Issues, made those remarks to this station. Regarding this process, EPL Commander Marco Jara read a communique reiterating his group's commitment to hold talks with the government. It also noted the rebels are willing to hold talks with paramilitary groups, because they feel the armed struggle is not the way to consolidate the peace process in Colombia. This is the text of the communique.

[Begin Jara recording] The situation in Cordoba Department is growing worse, despite its abundant natural and human resources. The lack of social welfare and democracy, [words indistinct], and violence have ruined our regions' life, welfare, and progress. This situation, which is part of the tragedy besetting Colombia, has prompted us to begin the process of talking with the central government, which we feel must include all of the department's social and influential forces to set the basis for the detente needed to make a joint analysis of the situation and to find the appropriate solutions.

We have pledged our word and commmitted our efforts and prestige to this purpose. The situation in Cordoba is very complex, and its scope goes way beyond the armed rebel struggle. That is why the causes, factors, and solutions of the problems are very complex. A political and democratic solution is in order to counter the indiscriminate violence that has sown terror in our fields and cities. Military confrontation is not the way. Paramilitary groups and (?henchmen) have been one of the chief protagonists of violence in the region, but not the only ones. That is why we deem them necessary interlocutors in this process that aims at restoring tranquility and harmonious coexistence and ending violence. [Words indistinct] the upsurge and expansion of production, including livestock activities, the effective solution to all the political, economic, and social needs of our compatriots in the region. [end recording]

Releases Four Hostages

PA1506235390 Mexico City NOTIMEX in Spanish 1631 GMT 14 Jun 90

[Text] Bogota, 14 Jun (NOTIMEX)—The authorities have reported that the Popular Liberation Army (EPL) today began the process of detente with the Colombian Government by setting four hostages free. As a result of the peace negotiations with the government, members of the EPL released the hostages to officials of the Attorney General's Office. The return of the hostages took place at an unspecified location in Cordoba Department, in the northeastern part of the country. According to Colombian authorities, the EPL has 48 hostages. However, the guerrilla organization claims it had only the four who were set free on 14 June.

Meanwhile, a few days ago, the Cordoba Cattle Breeders Committee issued a list with the names of 26 cattle breeders allegedly kidnapped by the EPL.

On 4 June, the EPL and the government began a dialogue designed to demobilize the guerrilla organization that was founded in 1965 and to integrate it into the country's civilian life.

The National Government has established an EPL camp in Uraba, where the demobilization talks are to be held.

Kidnapped Mine Employee Released by ELN

PA1606165290 Madrid EFE in Spanish 0008 GMT 15 Jun 90

[Text] Bogota, 14 Jun (EFE)—The pro-Castro Army of National Liberation (ELN) today released Francisco Uribe Echeverri, a Colombian employee of the Frontino Gold Mines in Segovia Municipality, located 300 km northeast of Bogota. Uribe was condemned to death by the ELN after being accused of instigating a mass murder.

Uribe Echeverri was kidnapped by the ELN on 23 February and accused of being the mastermind in the killing of 43 residents of Segovia Municipality. The 43 persons were killed on 11 November 1988 by the Death to the Revolutionaries from the Northeast (MRN) of Antioquia, an extreme right-wing paramilitary group.

A few weeks ago the ELN announced that Uribe was tried by a people's court and found guilty of being a member of the MRN and mastermind of the Segovia murders. The ELN announced that he had been sentenced to death.

After publicly announcing that the Frontino Gold Mines employee had been sentenced to death, the ELN received several requests for clemency from human rights organizations. They asked the ELN to revoke Uribe Echeverri's death sentence.

Today Uribe was handed over to a goodwill commission headed by Social Conservative Senator Alvaro Leyva

Duran with a warning to stay out of Segovia Municipality for the rest of his life. After he was released, Francisco Uribe Echeverri told reporters that he is not guilty of the charges made by the ELN.

Director on Alleged Police Complaints Document

PA1606003290 Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Jun 90

[Text] Medellin—General Miguel Antonio Gomez Padilla, National Police director, has downplayed the importance of an alleged document of complaints that was sent by some policemen to the news media of Medellin. Gen. Gomez Padilla said that the document originated outside of the National Police.

Members of the National Police High Command made statements after convening a special security council at the installation of the Army's 4th Brigade in Medellin. They hinted that the National Police High Command does not take the aforementioned document seriously. This document denounces the lack of interest of the institution for the situation of Medellin policemen, who have been systematically murdered since the end of April of this year.

'Assassins' Kill 15 People on 14 Jun in Medellin

PA1506183390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Jun 90

[Text] Medellin—Fifteen people were murdered in four separate attacks perpetrated last night, 14 June, by hired assassins who moved about in vehicles in the city of Medellin. Seven people were killed in one incident alone.

Authorities have reported that at the corner of 4th South Street and 50th FF Avenue, unidentified men who were moving about in a Mazda opened fire on some people who were talking just outside a butcher shop, murdering seven people. Diego Leon Cerna Cardona, 21, and brothers Jorge Mario and John Jairo Gomez Sanchez, 18 and 21, respectively, died at the scene. Four other people were rushed to the General Hospital of Medellin, where they later died. They were identified as Gildardo Rios Vidal, 28, Carlos Mario Alvarez Gomez, 18, Osvaldo (Cadabi) Sanchez, 24, and another young man named Didier De Jesus.

Ecuador

Delays Reported in Setting Up Polling Tables

PA1706200390 Madrid EFE in Spanish 1836 GMT 17 Jun 90

[Text] Quito, 17 Jun (EFE)—The Ecuadoreans, who today are voting to elect the majority of new Parliament members and provincial and municipal authorities, had trouble casting their votes because of delays in the setting up of a number of polling tables.

The electoral colleges were opened at 0700 (1200 GMT) and will close at 1600 (2100 GMT). The request that the Government (Interior) Ministry made to the Electoral Tribunal [TEP] to extend the voting period for one more hour because of the delays was turned down by the Tribunal.

Candidates, citizens, and reporters voiced concern over the delays in setting up the polling tables. There have been delays in several cities, particularly in Guayaquil.

Radio Atalaya reported that half the vote-counting boards in Guayaquil, a city located 442 km from Quito, were not yet in position three hours after the elections started.

Although the elections are proceeding normally in most of the country, the delays affect 50 percent of the vote-counting boards in some of the leading cities, Radio Atalaya reported.

Several citizens appointed to these boards failed to show up although it was their duty. Others, who were required by the public force to replace them, refused to do so, the radio added. However, the public force has not reported any major incidents.

Political observers said that the "Italy 90" soccer matches and the Father's Day commemoration in Ecuador have caused the delays and are affecting the citizens' attendance at the electoral colleges.

Jaime Nebot, the rightist Social Christian Party [PSC] candidate for deputy for Guayaquil and the leader of the opposition against the incumbent Social Democrat President Rodrigo Borja, interpreted the delay as criminal disinformation to prevent the people from voting. Surveys have attributed an unprcedented number of votes for Nebot.

Relatives of Nebot and other volunteers took over the vote counting board and began receiving the electors' ballots, including that of the candidate himself.

Jorge Zavala, candidate for the ruling social democratic Democratic Left (ID), also had problems voting, as did former presidential candidate Guillermo Sotomayor, who represents the center leftist People's Party (PDP).

Another significant development during the process has been a request to Borja from electoral authorities in Pichincha Province, where Quito is located, to immediately dismiss Pedro Saad, minister secretary general of social communications. He has been accused of proselytizing.

Saad, who rejected the charge and defended the government's right to report on actions of the executive branch, last night organized a radio and television network highlighting President Borja's social work.

Even though most members of the Pichincha branch of the TEP said that this was unmistakable evidence of

interference with the electoral process, President Borja said today that he will not dismiss Saad.

Borja said before the television cameras today: Why cannot the government report on what it does if everybody attacks it, if everybody insults it, if the electoral campaign has been a contest of insults against the government, and if my adversaries claim I have done nothing? Is there any crime in that?

Former Ecuadoran President Oswaldo Hurtado (1981-1984) said while voting that he joined the voices demanding the official's dismissal. He announced that his party will shortly summon the government minister (Andres Vallejo) to Congress if Saad is maintained in his post.

The law specifically bans political propaganda 48 hours before voting time and, according to the TEP members, the press team headed by Saad had the obvious intention of favoring ID, which all polls say will lose its current lead in Congress.

A total of 5.2 million Ecuadoreans over 18 years of age will vote today to renew 60 of the 72 benches in the unicameral Congress as well as 54 provincial counselors and 536 municipal councilmen.

Opposition Reportedly Winning

PA1806125290 Hamburg DPA in Spanish 0342 GMT 18 Jun 90

[Text] Quito, 17 Jun (DPA)—Despite very slow progress in the official vote count, projections by private television stations indicate that the rightist and leftist opposition have obtained a wide victory in today's legislative elections.

The Social Christian Party, a hard-line rightist party, appears clearly to be the main political force in Ecuador, winning at least 15 of the 51 legislative seats, according to unofficial but reliable results up to 2200 (0300 GMT). Sixty of the 72 seats in Congress are up for election today.

The ruling Social Democrats, who for a decade have been the country's main political force, are in second place with 12 seats. Figures are still needed to determine nine seats in dispute.

The leftist opposition Socialist Party and the Roldosist Party, a populist rightist opposition party, are in third place, each with eight seats. The Christian Democrats have so far won only three seats, suffering a severe setback.

According to these figures, a joint rightist and leftist opposition would have an absolute majority in the new Congress that will be installed on 10 August, when President Rodrigo Borja begins the second half of his four-year term.

The Supreme Electoral Tribunal, responsible for counting the votes, had said it would have "trustworthy" figures that would give "a panoramic view" of the election results four hours after the voting had ended. However, five hours after the voting ended the tribunal had processed only slightly less than 20 percent of the votes. The television networks, however, have already given estimates and announced the names of almost all the elected deputies.

The nine seats that are still in doubt correspond to the Amazon region and the Galapagos Islands. Information in these regions is gathered very slowly due to the great distances and communication problems. Other seats that are still uncertain are in provinces where the voting was very close, and thus the total number of votes cast are required to determine the winners.

In one of the first reactions to the partial electoral results by an official of the Social Democratic government, Secretary of the Presidency Gonzalo Ortiz attributed the poor returns to "the natural erosion brought about by the exercise of power in a society that is in crisis." However, the presidential palace has maintained complete silence.

In contrast, Jaime Nebot, a potential Social Christian presidential candidate, stated that today's results "faithfully reflect the people's repudiation of the government." Social Party Secretary General Victor Granda asserted that "we have won because the country wants a complete change of direction."

The Supreme Electoral Tribunal announced at 2200 that it would give "definite and complete" information on the results Monday (18 June) afternoon. The television networks have suspended their counting process because "no additional information is available."

* Economic Developments for 1989-90

90SM0100A Quito HOY in Spanish 10 May 90 p 2A

[Article by Jose Vicente Troya Rodriguez]

[Excerpts] Beginning today, a monthly synthesis of the developments in the leading variables in the country's economy will be published in the economic section of HOY.

The report will summarize what has happened in the last five months, as reflected in the Central Bank statistics.

The variables reviewed will pertain both to the foreign and domestic sectors of the Ecuadoran economy, as well as the corresponding public and private areas. [passage omitted]

Basic Wages

The development of the vital minimum wage during this administration has been characterized by constantly declining purchasing power.

In fact, according to the government figures on inflation and wages, the real vital minimum wage has in recent months been at one of the lowest levels in the past decade.

Moreover, wages never reached such low levels even under the preceding administration. For example, in 1986 the real wage (in 1979 sucres) was 2,227.2 sucres, while during the present government administration, the wage level dropped to 1,606.1 (also in 1979 sucres) in November of 1989, despite the fact that as of that date the nominal wage had already been increased to 32,000 sucres.

Therefore, in view of the fact that this nominal salary has not been increased, it will be seen that in March the minimum wage declined, in real terms, to 1,383.9 sucres. In other words, it represents less than two-thirds of the salary paid in 1986.

In this connection, it is to be noted that there is no active wage policy being pursued by the government which would at least restore the lost purchasing power in the salaries paid the workers.

This phenomenon is even more striking in view of the fact that the general economic policy of the government is designed to make the prices in the economy "realistic." In other words, for example, to raise public service rates, interest rates, etc., to a level at least equal to that of inflation. Perhaps wages are not regarded by the government as one of the prices in the economy which need to be placed at a real level.

Foreign Sales Status Critical

Ecuador's exports declined in the first two months of 1990, as compared to the same period the preceding year. In fact, the latest Central Bank figures show that total Ecuadoran exports were down by almost four percent, if the first two months of this and last year are compared.

This decline was basically the result of the reduction seen in foreign sales of shrimp, cacao, and coffee. For example, shrimp exports dropped by 26.8 percent between the 1989 period under analysis and that in 1990, from $46.4 million to $36.6 million.

Where coffee is concerned, there has been a decline in foreign sales to almost one-third of the earlier figure, since this crop earned $29.4 million in January and February of 1989, but only $10.2 million in the comparable period in 1990.

Cacao exports, in turn, also experienced serious difficulty in the first 2 months of 1990, since the exports in January and February of 1989 were 60.9 percent higher than the total this year ($8.7 million and $14 million, respectively).

Foreign sales of bananas, on the contrary, increased by more than 24 percent, a comparison of the first two months of 1989 and 1990 shows, bringing in $63.7 million in 1989 and $72.2 million in 1990.

Similarly, there was favorable development in foreign sales of oil, with an increase of 3.9 percent between the first two months of 1989 and the comparable period in 1990.

BC Credit Down

Where the credit allocated by the Central Bank of Ecuador to the national financial system is concerned, the nominal figure, without adjustments for inflation, can be seen to have dropped since November 1989, when the total was 327.6 billion sucres, to 323.9 billion in March of 1990.

If the relevant adjustments for inflation are made to these values—five months ago one sucre was worth more than was the case in March of 1990—it will be seen that the reduction in credit allocated by the issuing bank to the financial sector has been much greater than the one percent reported in nominal terms.

These figures reflect the restrictive trend which has been the policy of the Central Bank where the granting of credit is concerned, as a part of a credit policy consistent with the monetary control needed to manage inflation.

This control has affected all of the branches of the public sector in the country, since the BNF [National Development Bank], for example, has seen the credit obtained from the Central Bank reduced from 59.34 billion sucres in February of 1990 to 59.31 billion in March of this year.

Similarly, credit granted to the government declined from 64.1 billion sucres in November of 1989 to 63.6 billion in March of this year.

The private banks, on the other hand, saw an increase in the credit granted by the Central Bank, at least in nominal terms, from 34.5 billion sucres in November of last year to 39 billion in March of 1990. However, in real terms, there has been a decline.

Bank Deposits Up

The situation in the domestic financial system, as exemplified by private bank deposits, shows a growth trend, at least in nominal terms, according to the Central Bank figures.

Total deposits in banks increased from 489.3 billion sucres in November of 1989 to 568.9 billion in March of this year. These figures show a nominal increase in deposits of 11.7 percent, a little less than the rate of inflation seen between the end of November and the end of March (15.1 percent).

The nominal increases in deposits have resulted basically from the increase in deposits in national currency (16.6-percent increase between November 1989 and March 1990), and to a lesser extent, the increase in foreign currency deposits (12.2-percent increase in the same period).

With regard to deposits in national currency, the monetary deposits by the public came to the largest total, followed by savings deposits, and then longer-term deposits.

There was an increase in these three categories in the period under analysis, and also in the figures for shorter-term deposits and other banks, unlike the figure for guaranteed deposits, which dropped from 2.2 billion sucres in November of last year to 1.7 billion in March of this year.

The development of deposits in private banks is closely linked with the credit granted by the Central Bank to the national financial system, to the extent that restriction of credit granted to this system by the issuing bank, in general terms, goes along with its situation of greater autonomy.

Disciplined Budget

The financial situation of the state shows notable improvement, in terms of income as compared to expenditures from the treasury, in comparison to 1986, 1987, and the first half of 1988, when state expenditures were generally greater than state income.

In the period studied (August to December 1989), certain ups and downs associated with the deficits in October and November of last year can nonetheless be seen. These deficits came to 8.1 billion and 6.3 billion sucres, respectively.

In any case, the management of the General State Budget, in general terms, reveals that the treasury has a great capacity for collecting resources. Between August and December of 1989, income increased by 24.1 percent, from 67 billion to 83.2 billion sucres, while on the other hand, the expenditure level could actually be seen to be declining.

In October of last year, for example, expenditures totaled 80.9 billion sucres, while in December they came to only 78.2 billion.

Thus the surplus in the General State Budget is the result of both the decline in expenditures and the increase in government income.

This indicator shows that the state has maintained real fiscal discipline in the management of its expenditures.

Peru

Garcia on Recent Elections, Government Legacy

PY1606183090 Madrid EFE in Spanish 1535 GMT 15 Jun 90

[All quotation marks as received]

[Text] Lima, 15 Jun (EFE) — In his first remarks after last Sunday's election, Peruvian President Alan Garcia stated that Peruvians voted "positively" against the liberal trend that "is so fashionable throughout the world and which we do not want here" in an election that the people considered "an act of political liberation."

In a news conference with 10 foreign journalists, including EFE, the chief of state said that the right has suffered "a tremendous defeat" and "condemnation" when in a second round of elections Alberto Fujimori, an independent of Japanese origin, was elected with approximately two thirds of the valid votes, which came from a poor and mestizo majority and from the left.

The president, who will hand over the presidency to Fujimori on 28 July, said that "fortunately the humble people, the majority in Peru, voted against a typical monetary readjustment" of the rightist coalition that supported the rightist candidate, Mario Vargas Llosa.

He accused the right, which is racially white, of having hounded him during the last three years of his government and of having sought a coup d'etat to "put the cholos (mestizos) in their place."

Garcia stated that the forces "of the left and the nationalists," including his party, that supported Fujimori during the second round have "a serious commitment" to the new government, although not to its actions.

He indicated that Fujimori's "categorical win" can create the conditions to achieve political stability, but, according to commentators, the president-elect must obtain a majority in Congress, win the confidence of businessmen and unions, and thus reestablish the country's international credibility.

Garcia lauded the so-called political agreement [concertacion] that Fujimori has achieved, but Garcia said Fujimori must also make a deal with the institutions and the millions of Andean peasants that voted for him.

He added that the election was an act of "reaffirming the social identity" in view of the "campaign of disdain and racist tendency," and "against the right and liberalism, a theory that is fashionable in the world, but which is not wanted in Peru."

Garcia admitted that his country is swimming against the liberal current that is sweeping Latin America, but "that is good, and it does not mean isolation, but it means being different," maybe because "we do not want to form a part of the chorus, maybe because our right leans too much to the right, or maybe because our problems are different."

For Garcia the vote of the Peruvian people also provides "a lesson" for those who predicted that Peru could not live for a long time with its own resources behind the back of the international financial system.

He explained that in 1985 when his government decided to postpone payment to the creditors it did so because, "I was interested in demonstrating to Latin America that there is no need to pay in order to maintain democracy."

"We have not paid, and democracy has not disappeared in Peru. Neither does a fascist dictatorship exist, nor has Shining Path (the rebel Maoist organization) taken over," he stated.

Garcia acknowledged that Fujimori "does not have clear-cut or specific proposals," but they "do invalidate" those of Vargas Llosa. The people knew "how to differentiate," he said, because "they are no longer a herd that can be driven with emotional arguments."

"There is a strange but dramatic change in Peru. I fully identify with the sentiment of the vote of two-thirds of the people. I reiterate that I do not know what the next government will do, but with the electoral alternative that we had, the people said no to liberalism and imposed a tremendous defeat on the right," he said.

President Garcia added that these elections did not endorse the "voracious, pretentious, disorderly, desperate" banker who in 1987 opposed Garcia's project to place the banking sector in the hands of the state, and that since 1988 this same sector has tried to capitalize on the internal "economic problems," and "the errors of the government."

According to the president, neither could the Peruvian right, with the millions that it spent on publicity, capitalize on the religious fears that were unleashed by the evangelists' support for Fujimori, on the personal insults regarding the racial issue due to the Japanese origin of the virtual president-elect, or on the changes in East Europe, because "the people are rational."

He argued that the alleged "weak flanks" of Fujimori can turn into his greatest advantage: "He does not have a party, but he does have the support of an immense majority."

Garcia indicated that if the right that was defeated in the elections "vents its anger" on Fujimori, it will mean that "it will be creating a nonrightist government. In this case, we will not only have to defend democracy, but we will also have to interpret the meaning of the attacks."

The Peruvian chief of state stressed that he will hand over to the new government a country with a people "standing up and aware," and an "absolutely guaranteed" democracy, despite Peru's being "one of the poorest countries in Latin America, with violence and a right that is rearing up on its back legs." He accused the right of having practiced "verbal violence and economic sabotage" against his government.

He added that he will hand over $900 million in total assets—we do not include what the country owes, he said, because "we will see when we pay it"—and an economy that has grown by an annual average of 1.3 percent in comparison to the 0.1 percent during the five years of the previous government, "which was rightist."

Garcia acknowledged that salaries lost 30 percent of their purchasing power during his government while increasing by 7,000 times, while prices rose by 10,000 times.

The president said that Peru's civilian society "is about ready" to win the battle against Shining Path, whose members, he indicated, are "demoralized, discouraged, dispirited, tired, and have grown old" due to 10 years of armed struggle that "created uncertainty, but was not able to dent democracy."

"This is also on the credit side for the next government," the chief of state said.

Fujimori on Possible Prime Minister, Trip

PY1806024890 Lima Television Peruana in Spanish 0100 GMT 18 Jun 90

[Excerpt] President-elect Alberto Fujimori has not denied the possibility of appointing (Ernando de Soto), president of the Freedom and Democracy Institute, as prime minister. In an exclusive statement to Television Peruana, Fujimori said that this is a possibility but nothing has yet been decided on the issue.

Fujimori did confirm, however, that (Hernando de Soto) will be part of the Peruvian delegation that will travel to the United States, Japan, and the ROK. He said this delegation will seek to reinsert Peru into the international financial system. He added that he held very positive talks with businessmen and workers throughout the past week.

[Begin recording, in progress] [Fujimori] ...(Hernando de Soto) is willing to cooperate with our administration either as a cabinet member or at other levels through the Freedom and Democracy Institute.

For the time being he has decided to accompany me on a trip to the United States, seeking to improve Peru's image abroad. De Soto's cooperation with our administration is currently at this level.

[Unidentified reporter] Will members of other parties accompany you on this tour? What countries will you visit?

[Fujimori] We have already established that. We will visit the United States, Japan, and the ROK. I will go with a Foreign Ministry official and an economist who will eventually be named the foreign debt negotiator.

[Reporter] [Question indistinct]?

[Fujimori] We have not yet decided who it will be. But he will be the eventual foreign debt negotiator. This trip will seek to establish the bases for normalizing Peruvian relations with the IMF and international organizations. [passage omitted] [end recording]

Appoints Party Secretary General

PY1606161490 Lima Television Peruana in Spanish 0100 GMT 16 Jun 90

[Text] Alberto Fujimori, who is virtually the Peruvian president-elect, has designated Engineer (Andres Reggiardo Sayan) as secretary general of Change 90 and as chairman of the power transfer committee. This information has been released to the press by Fujimori's information office.

Debate Over Transition Period Leader Noted

PY1506140090 Lima Television Peruana in Spanish 1100 GMT 15 Jun 90

[Excerpt] Deputy-elect Jorge del Castillo, the former mayor of Lima, agreeing with what Senator Humberto Carranza said earlier, reiterated that the Presidency of the Senate should be occupied by Minister Mercedes Cabanillas for having obtained the largest number of votes.

[Begin Castillo recording] I am going to answer that question from the legal point of view. According to the law, the Senate commission in charge of coordinating the transition period should be headed by the senator-elect who individually obtains the largest number of votes. There is no doubt that Mercedes Cabanillas is the person who individually obtained the largest number of votes. Any other interpretation is illegal, dishonest, and even politicized, and is aimed at stirring up controversy over an issue that is quite clear and even has precedents. Ever since there have been presidential elections, the person who has individually obtained the largest number of votes has presided over the Senate commission in charge of coordinating the transition period.

Raul Haya de la Torre was the first to do this after obtaining a majority in the Constituent Assembly. Congress subsequently followed suit in 1980 and 1985. [passage omitted] [end recording]

MRTA Leader Offers 'Truce' to Fujimori

PY1506221390 Madrid EFE in Spanish 1637 GMT 15 Jun 90

[Text] Lima, 15 Jun (EFE)—Victor Polay Campos, one of the top leaders of the Tupac Amaru Revolutionary Movement (MRTA) who is being tried on charges of terrorism in Lima, has offered a "truce" to the administration of virtual President-elect Alberto Fujimori.

Polay Campos stated in court that the MRTA will monitor the Fujimori administration during the "truce" and "if he fails to live up to the people's expectations, society will once again be aware of our actions."

Polay recalled that the MRTA also offered a "truce" to the administration of current President Alan Garcia when the latter took over in July 1985 but discontinued it "when the government unleashed a dirty war in the country," referring to the massacre of prison inmates in 1986 when a mutiny staged at three Lima prisons by inmates sentenced or charged with terrorist activities was put down by military units at the cost of the lives of 250 prisoners.

During his trial, in which the prosecutor is asking that Polay be sentenced to 15 years in prison, Polay revealed that the MRTA participated in the takeover of the Palace of Justice in Bogota in 1985.

Polay, who founded the pro-Che Guevara MRTA and was arrested in 1988 in Huancayo, 415 km southeast of Lima, also admitted that the MRTA had participated in the so-called "America Battalion."

The MRTA leader does not want his movement to be compared with the Maoist Shining Path gang which he criticizes for its criminal actions that differ from the methodology of the MRTA which is interested only in "a revolution through which to build a new fatherland."

Polay was born in 1951 in Callao, the port of Lima, and was a member of Peru's current ruling American Popular Revolutionary Alliance (APRA). He participated in the so-called APRA Liaison Bureau [buro de conjunciones] which comprised 50 youths, including the current Peruvian President Alan Garcia.

Polay later left the APRA and joined Trotskyite groups. He then went underground and together with other people founded the MRTA in 1982

The MRTA's biggest clash with the military forces took place in 1988 near Molinos, a village in Junin Department, in the Peruvian central Andean region. Sixty three subversives died in that clash.

The MRTA conducted its first action in the year it was founded when several of its members shot up the U.S. Embassy in Lima.

Coca Farms, Chemicals Damage Ecology in Huallaga

PY1506124590 Lima Television Peruana in Spanish 0100 GMT 15 Jun 90

[Excerpts] Seven million hectares have been deforested in the Central Huallaga region as a result of indiscriminate tree cutting and an increase in coca plantations. Adding to this ecologic damage are cocaine chemical wastes, which affect not only the rivers but fish and plants as well. [passage omitted]

Peru is currently the world's largest producer of coca leaves. The purest form of coca leaves, which produce the best drug, can be found in the Alto Huallaga Valley. More and more people are depending on drug trafficking as a source of work; that is, its growth and sale and the laundering of narcodollars in the capital market.

In the Alto Huallaga region, 200,000 people depend directly or indirectly on the growth of coca leaves and the laundering of narcodollars, but not on its processing and final sale. According to local authorities, this figure

represents 95 percent of the population of Tingo Maria and Leoncio Prado Provinces. [passage omitted]

The pollution of the rivers seems to be significant. It has been calculated that in 1986, nearly 90 million liters of kerosene and sulfuric acid, as well as 35 metric tons of quicklime, carbon [carburo], and toilet paper, were thrown into the rivers in the Alto Huallaga region. All of these are waste products from the production of cocaine paste. [passage omitted]

Army, Peasant Patrols Kill Nine Terrorists

PY1606235390 Madrid EFE in Spanish 2042 GMT 15 Jun 90

[All village names as received]

[Text] Lima, 15 Jun (EFE)—It was reported here today that the Peruvian security forces have killed nine members of the terrorist "Shining Path" group in armed clashes in the Andean departments of Ayacucho and Huancavelica.

Military sources reported that on 12 June, an army patrol spotted a Shining Path column and killed six of its members in the village of Uchucupampa, in the Ayacucho Province of Huanta.

After the clash with the guerrillas, which were retreating as they were being pursued by the military troops and by the civilian "peasant patrols," the security forces seized grenades, bombs, and propaganda material.

On 9 June in the Huanta province village of Charchapata, the subversive group murdered 20 persons, set fire to some 50 houses, and stole cattle and other food items.

Three other Shining Path members were killed by an Army patrol on 13 June in Julcamarca, Huancavelica, where one soldier was wounded.

A political committee in charge of analyzing the causes of violence in Peru has concluded that political violence has already claimed more than 20,000 victims since May 1980, when the "Shining Path" began its armed struggle in Peru.

4 Peasants, 2 SL Members Killed in Attacks

PA1706010490 Madrid EFE in Spanish 2309 GMT 16 Jun 90

[Text] Lima, 16 Jun (EFE)—It was officially announced today that four members of the so-called Peasant Defense Patrols were murdered in Patasucro, Ayacucho Department on 15 June, allegedly by members of the Shining Path [SL], a Maoist terrorist group.

A patrol of the Peruvian Army was also attacked on 15 June, presumably by SL terrorists, in Tauripom, Ancash Department. Two terrorists were killed when the soldiers repelled the attack.

MRTA, Shining Path Subversives Presented

PY1506214890 Lima Television Peruana in Spanish 1800 GMT 15 Jun 90

[Text] Dircote [Anti-Terrorist Directorate] today introduced to the media 18 alleged subversives who planned to carry out terrorist actions on the days preceding the second electoral round. There are Shining Path and MRTA [Tupac Amaru Revolutionary Movement] members among the subversives captured.

Dircote action also dismantled an important subversive base in the country's northern area.

Cuban Aid for Dengue Infested Area Arrives

PY1506215890 Lima Television Peruana in Spanish 1800 GMT 15 Jun 90

[Text] A small delegation of Cuban doctors, specialized in the dreadful dengue disease, arrived early this morning in our country. The delegation immediately went to the zone where the dreadful virus is rampant.

[Begin recording] [Cuban doctor] The donation involves 10.3 tons of medicine. A total of 452 packages are coming. These packages contain antibiotics, serum, and bandages.

Four specialists are also coming—a clinician for adults, a clinician for children, a pediatrician, an epidemiologist, and us. This team already has experience in combating dengue. We have worked in Nicaragua, Ecuador, Venezuela, Colombia, and recently in Honduras where we were also giving our advisory services.

[Unidentified reporter] What is involved in this treatment of dengue?

[Cuban doctor] Eh? Well, the treatment of dengue [changes thought].... This is a viral disease. Later, my specialist comrades will explain the treatment to you. However, the main point in combating the dengue is to combat the carrier, the mosquito. Concerning this point, the entire population must participate.

[Reporter] Fumigation, perhaps?

[Cuban doctor] Well, fumigation and especially preventing the breeding places. This is what is more important.

[Cuban Ambassador Francisco Ramos Alvarez] I am the Cuban ambassador here in Peru. I live here. I have come to meet my medical comrades, who will provide technical assistance to control dengue, and to receive the aid that the Cuban Government has granted to the Peruvian people in keeping with the events in the north that are well-known to everyone.

[Reporter] What type of aid have you brought?

[Ramos] Basically medicines. The doctor has already explained this to you—antibiotics, bandages, serum as

well as medicines. And, on the other hand, technical assistance to control dengue.

[Reporter] Will this aid for the Peruvian people continue?

[Ramos] Well, this was a petition made as a result of the earthquake and this is the first stage. We do not know if it will be continuous. It also depends on the situation they find in the region where the epidemic is located. Therefore, we do not know what will happen, that is, greater assistance could be provided or this could be enough. [end recording]

Police Evict Demonstrators From Health Ministry

PY1606035890 Lima Television Peruana in Spanish 0100 GMT 16 Jun 90

[Excerpts] Violent clashes took place today between the police and health sector workers who had occupied the Health Ministry. Many people were injured as a result of the clashes. After being evicted from the building, the workers demonstrated in the street. Health Minister Paul Caro Gamarra said that he is willing to meet the wage demands of the workers, but they are also asking for things that he cannot solve. [passage omitted]

Lima Prefect (Jacobo Meshki) today reported that 90 people were arrested during the police intervention at the Health Ministry, which was occupied by health workers on strike.

[Begin recording] [Meshki] Regarding the case of the occupied ministry, 90 people have been detained and they are in the Jesus Maria Police Station. They will be investigated and then those who are found responsible for crimes will be placed at court disposal by the prosecutor.

[Unidentified reporter] Usually some members, either of the Shining Path or other revolutionary movements, are found in this kind of demonstration. Is this the case here?

[Meshki] Yes, we have learned that some extremists take advantage of this kind of demonstration and this kind of public disorder to commit acts of violence. In face of this fact, I call on the union leaders to carefully control the people under their responsibility who carry out these violent acts. Today we have detected that people from the INPE [expansion unknown], and from other trade unions also took part in the demonstration, thus discrediting the health sector trade union. [end recording]

Venezuela

Economic, Financial Agreement Signed With Spain

PA1606003490 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 8 Jun 90

[Text] Venezuela and Spain have signed a trade agreement implementing an economic and financial cooperation program to put $3 billion into circulation between 1990 and 1994. President Carlos Andres Perez also announced that a double tax system agreement and an insurance program on noncommercial risks will soon be signed to sponsor Spanish capital investments in Venezuela.

[Begin recording] [Carlos Andres Perez] This agreement does not resemble any agreement that we have previously signed—that our nation has signed with Spain or with any other nation. It does not have an ulterior motive and it covers all the areas in which cooperation can be developed between sovereign and democratic nations. The agreement also creates an exceptionally reliable legal framework for development in all the areas of cooperation between the two nations.

[Spanish Prime Minister Felipe Gonzalez] President Andres Perez said that the agreement has a clear purpose, it encourages, rather than hinders, international investments and joint ventures—which can be carried out freely, in Spain with Venezuelans and in Venezuela with Spaniards, regardless of the guidelines for sponsoring development. [end recording]

The two heads of state explained to the international media the scope of the agreements, stating that these are positive steps in the Spanish-American integration process. They also added that the two nations had reported to the OAS and the UN their commitment to the ONUCA [UN Observer Group in Central America] plan to give economic aid to Nicaragua, and expressed their concern over the slowness of the contra demobilization.

The Venezuelan president had previously been to Salamanca University to inaugurate the Spanish-American Forum. President Carlos Andres Perez received a medal from the historic Spanish university and emphasized the importance of Spanish-American integration.

[Begin Perez recording] It is important to know that we can overcome our most serious problems through our own efforts. However, we will fail if we do not use our own resources, if we do not decide to be ourselves, and if Spain does not realize the importance of this great community and its incomparable potential in the creation of a new world. [end recording]

President Carlos Andres Perez also visited the Spanish-American Cooperation Center and the Business Cooperation Council. He learned about Spanish businessmen's investment projects, as well as the nation's industrial transformation programs. In turn, he explained to the Spanish capitalists the investment facilities in Venezuela.

At the end of the day, President Carlos Andres Perez and his official delegation attended a dinner given in their honor by the Spanish leader, during which the old personal friendship between the Spanish and Latin American leaders was evident.

Majority Polled Find Perez Average or Worse

PA1706040990 Caracas EL NACIONAL in Spanish 3 Jun 90 p D-17

[Report by Carmen Carrillo]

[Text] Fifty-seven percent of the Venezuelan people have described President Carlos Andres Perez' administration as average, bad, or very bad, while almost 43 percent have described it as good or very good.

These figures were obtained through a national public opinion poll conducted by the Eugenio Escuela organization in April. Out of the 4,500 Venezuelan people who were polled in the multiphasic survey, 61.78 percent describe the actions carried out by Perez' cabinet as average, bad, or very bad.

Those who were polled were asked to give their opinions about the various Venezuelan autonomous institutions and enterprises. The poll showed that 62.67 percent believe that Venezuelan Petroleum, Inc. has been the enterprise that has done the best job so far, while the Foreign Trade Institute is considered as the worst.

All those surveyed expressed negative opinions about state institutions such as the Supreme Court of Justice and the National Congress, and about Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], CTV [Confederation of Venezuelan Workers], AD [Democratic Action Party], and Copei [Social Christian Party]. These results are alarming, especially for those who study public opinion.

Eighty-eight percent of the responses reveal that the worst public institution is the National Institute of Sanitary Services, followed by IAN [National Agrarian Institute], Cadafe [Electrical Administration and Development Corporation], and CANTV [National Telephone Company of Venezuela]. The truth is that the public service institutions are not the most suitable ones to begin the process of industrial reconversion that the government is announcing.

Those who believe that Perez' administration has been either good or very good allege that wages have increased and that the government has obtained foreign loans.

Those who describe the current administration as average, bad, or very bad state that Perez has failed to put an end to crime and to lower the cost of living, and that he is enriching [Central Bank director] Pedro Tinoco and the other bankers.

As a curious detail, President Perez has a great deal of support in the central part of the country, where 21 percent of the population describe his administration as a very good one. In the eastern region and in Zulia State, however, all figures are against President Perez, since 27 percent of the people in those areas describe his administration as average, 15.53 percent describe it as bad, and 28.57 percent describe it as very bad.

Those surveyed were asked to comment on the actions conducted by the state branches and various public institutions. The data obtained is truly worrisome. For example, 30.44 percent describe the National Congress' performance as average and only 15 percent describe it as very good.

In addition, 42.23 percent assert that the Supreme Court of Justice has had a very poor performance and only one percent believe that it has had a very good performance.

As for Fedecamaras, 36.43 percent of the people polled describe its performance as very bad and less than 10 percent describe it as good. According to 33.78 percent of those asked, the CTV has had a very poor performance, while 20 percent believe that it has had a good one.

The country's political parties, or at least the two major ones, did not come out unscathed from these polls, since 28.67 percent of the people believe that AD has had a bad performance while 31.56 percent believe the same thing about Copei.

According to 28.77 percent and 27.56 percent of those surveyed, respectively, MAS [Movement for Socialism] and Causa R [not further identified] have had a good performance.

As for the labor law, 88.94 percent of the people polled believe that it is positive and beneficial for the workers.

Finally, 82.44 percent believe that the Congress should approve the investment law as soon as possible, because it would contribute to bringing dollars back into the country.